

# VISITOR FACILITATIONS

---

---

## HEARING

BEFORE THE

SUBCOMMITTEE ON FOREIGN COMMERCE AND  
TOURISM

OF THE

COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION  
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

ON

VISITOR FACILITATION AT U.S. POINTS OF ENTRY

\_\_\_\_\_  
JULY 18, 1990  
\_\_\_\_\_

Printed for the use of the  
- Committee on Commerce, Science, and Transportation

U.S. GOVERNMENT PRINTING OFFICE

35-820 O

WASHINGTON : 1990

---

For sale by the Superintendent of Documents, Congressional Sales Office  
U.S. Government Printing Office, Washington, DC 20402

5261-18

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ERNEST F. HOLLINGS, South Carolina, *Chairman*

DANIEL K. INOUE, Hawaii

WENDELL H. FORD, Kentucky

J. JAMES EXON, Nebraska

ALBERT GORE, JR., Tennessee

JOHN D. ROCKEFELLER IV, West Virginia

LLOYD BENTSEN, Texas

JOHN F. KERRY, Massachusetts

JOHN B. BREAUX, Louisiana

RICHARD H. BRYAN, Nevada

CHARLES S. ROBB, Virginia

JOHN C. DANFORTH, Missouri

BOB PACKWOOD, Oregon

LARRY PRESSLER, South Dakota

TED STEVENS, Alaska

ROBERT W. KASTEN, JR., Wisconsin

JOHN MCCAIN, Arizona

CONRAD BURNS, Montana

SLADE GORTON, Washington

TRENT LOTT, Mississippi

KEVIN G. CURTIN, *Chief Counsel and Staff Director*

WALTER B. MCCORMICK, JR., *Minority Chief Counsel and Staff Director*

---

SUBCOMMITTEE ON FOREIGN COMMERCE AND TOURISM

JOHN D. ROCKEFELLER IV, West Virginia, *Chairman*

ERNEST F. HOLLINGS, South Carolina

RICHARD H. BRYAN, Nevada

CONRAD BURNS, Montana

BOB PACKWOOD, Oregon

## C O N T E N T S

---

|                                               | Page |
|-----------------------------------------------|------|
| Opening statement by Senator Rockefeller..... | 1    |
| Opening statement by Senator Inouye.....      | 3    |
| Opening statement by Senator Burns.....       | 4    |
| Opening statement by Senator Bryan.....       | 8    |

### LIST OF WITNESSES

|                                                                                                                                                                                      |     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Akaka, Hon. Daniel, U.S. Senator from Hawaii.....                                                                                                                                    | 7   |
| Book, Edward, vice chairman, Travel and Tourism Government Affairs Council....                                                                                                       | 53  |
| Prepared statement.....                                                                                                                                                              | 57  |
| Dunkerley, Mark, commercial and government affairs, British Airways.....                                                                                                             | 88  |
| Prepared statement.....                                                                                                                                                              | 92  |
| Gordon, James K., director of international affairs, Airport Operators Council<br>International.....                                                                                 | 98  |
| Prepared statement.....                                                                                                                                                              | 100 |
| Herman, Alice, assistant director of aviation, Port Authority of New York-New<br>Jersey.....                                                                                         | 82  |
| Prepared statement.....                                                                                                                                                              | 85  |
| Hong, Stanley W., president, Hawaii Visitors Bureau.....                                                                                                                             | 9   |
| Mendelowitz, Allan, Director, Trade, Energy, and Finance Issues, National<br>Security and International Affairs Division, GAO; accompanied by Roy<br>Karadbil; and Susanne Wood..... | 23  |
| Prepared statement.....                                                                                                                                                              | 28  |
| Norton, Richard, director of facilitation, Air Transport of America.....                                                                                                             | 64  |
| Prepared statement.....                                                                                                                                                              | 69  |

## VISITOR FACILITATION

---

WEDNESDAY, JULY 18, 1990

U.S. SENATE,  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,  
SUBCOMMITTEE ON FOREIGN COMMERCE AND TOURISM,  
Washington, DC.

The subcommittee met, pursuant to notice, at 2:07 p.m. in room SR-253, Russell Senate Office Building, Hon. John D. Rockefeller presiding.

Staff members assigned to this hearing: Ivan Schlager, staff counsel and Gerri Hall, minority professional staff member.

### OPENING STATEMENT BY SENATOR ROCKEFELLER

Senator ROCKEFELLER. I would like to invite Senator Dan Akaka from Hawaii to join us here at the podium, so to speak—dais—and I understand he is outside, and I would very much welcome him coming in. Dān—he is right over there. I would very much appreciate if you could come up here and be a part of our Committee, even as you are a distinguished member of the United States Senate, and we have much to learn from you. We are not only going to listen to your testimony, but we want to learn from you in terms of your expertise in tourism and many other areas.

Let me just make an opening statement and then ask if others have them, and we will get on to it. I think it is going to be a very important hearing, one which has not been undertaken for awhile, which I think has large economic consequences for the future of tourism.

In the course of the past 10 years, in fact, we—I guess you could say that is 500 years after the discovery of America by Columbus, 270,000,000 visitors discovered America. This marks an almost 50 percent increase in a very few period of years. For many of these visitors from overseas, their first impression of the United States is not, in fact, the Statue of Liberty or the Washington Monument, or any other of a number of interesting sights. Rather, it is a line at Customs; it is a surly greeting from an overworked INS agent.

In October of last year, this Committee held hearings on the issue of updating our national tourism policy. A great deal of time at that hearing was, in fact, spent on this issue, the apparent inhospitality, the lack of courtesy that we show to our foreign visitors at our ports of entry, particularly airports. And so, we want to take a look at this and decide what we want to do.

Senator Danforth, as I recall, just returned at that time from a trip abroad and detailed the frustration that he experienced in trying to clear Customs at Dulles Airport, and he is a United



States Senator. It was just a very unhappy experience. So in response to the issues that were raised at that hearing, the committee directed the GAO, the Government Accounting Office, to undertake a study on the problems associated with visitor facilitation at U.S. airports. That was our target, that is our target.

The report is expected to be published at the end of the summer. Mr. Alan Mendelowitz, who is the director of the section on international trade at GAO will testify today, is here today, and in a sense, give us a preview of what the report will say.

The increase in the number of foreign travellers entering the United States is one of the most significant achievements in the history of tourism. For the first time in 29 years, we are now generating a balance of payment surplus of over a billion dollars. As I have said a thousand times, tourism is the largest export that the United States has. It is at least a billion dollars larger than agriculture—overwhelming financial importance. And in fact that is one of the reasons that in our new tourism bill passed out of the Senate, now pending attention in House Energy and Commerce, takes tourism from a softer subject, which in fact it is not, but as it is perceived by many, into a trade subject. We deliberately made it that, a trade subject, subject to being counted by the Department of Commerce in terms of relative trade statistics, and how do they measure up, and what does it do to our balance of payments. This is important because it elevates tourism to a new profile which I think will be very helpful to us.

We have a \$5 billion surplus with the Japanese, for example, on tourism—not something that can be said in many areas. If we are to solidify the hard fought gains that we have made in these last several years, then we must improve our efforts to cure the congestion that now afflicts our points of entry at U.S. airports, not to speak of whatever attitude problems we may run into.

At some of our airports, the situation has become, frankly, intolerable. We hear testimony today from my friend, Stanley Hong, who is a member of the committee's tourism industry advisory council with whom I met this morning, about delays of close to three hours at the Honolulu International Airport. It is said that patience is a virtue. When describing the conditions at our points of entry, I would choose Ambrose Bierce's definition of patience, which is, patience is a minor form of despair disguised as virtue.

After a 10-hour flight, a three hour delay is more than a minor form of despair. We have a number of explanations for the delays that international passengers routinely encounter. Foremost amongst them is the fact that our airports do not have adequate staff and do not have adequate facilities to accommodate the increase in the number of visitors entering the United States.

Now it is, that while visitors are subject to delays of up to three hours, approximately \$8 billion sits in the airport trust fund. Is it being spent for new airports or for new facilities for taking care of these problems? Of course not. Was it last year? Of course not. The year before? Of course not. Will it be this year? Probably not. It will be used as it has been, and that is for reducing in a phony fashion—masking our budget deficit. That money could be used to expand airport facilities rather than this phony exercise and some

of us are not happy about that. We see that in a variety of our trust funds.

In addition, there are a number of promising measures that we can undertake prior to a passenger's arrival that will ease the burden on Customs and on Immigration. Among the more promising techniques are pre-inspection, pre-clearance, and visa waiver programs. I look forward to the testimony of a distinguished group of witnesses. We will welcome their comments, and as I said earlier, I particularly am grateful for the presence of Senator Dan Akaka from Hawaii. Dan Akaka is new to the Senate, but he is not new to those of us who have known him and watched him over the years. He understands not only the state that he represents, but he understands this government keenly. He has been a student of it for years, from the House of Representatives, and we are very fortunate that he is our first witness, and I would ask Dan Akaka to speak to us as a witness from his present seat.

It might be appropriate, Senator Akaka, if I called first on Senator Inouye or Senator Bryan for any comments that they might wish to make. If I want my hearing to be successful and fail to do that, I would be stupid indeed.

Senator BRYAN. Mr. Chairman, I am always delighted to follow our colleagues to my left who have been real leaders, Senator Inouye for many, many years, and former Congressman Akaka, now our colleague Senator Akaka. Let me follow, if the Chair has no objection. I will make some comments after the two of them have had an opportunity to make their statements, because I think it is important that we hear from them first.

Senator ROCKEFELLER. Senator Inouye.

#### OPENING STATEMENT BY SENATOR INOUE

Senator INOUE. Mr. Chairman, I do have a statement to make, but first I would like to say how fortunate we Americans are to have you at the helm of this Committee, and we are all sadly aware tourism has never been considered an important part of a way of life for America, but under your guidance and leadership this Committee has suddenly become of age and become important.

It is time that Americans realize that of all the industries in the United States, this is the only one where we are making money, where we have a surplus in our trade balance. When we speak of trade imbalance, this is the only one that we can point to and say we are making a profit. So I think all Americans should be made aware of this, and accordingly I wish to thank you for holding this hearing on airport facilitation. Needless to say, tourism is very important to us in Hawaii, and so processing passengers at our Honolulu International Airport in a courteous and efficient manner is critical to our continued success in our tourism business.

It may interest you to know, Mr. Chairman, that last year we received 6,600,000 visitors, and they contributed about \$11 billion in revenues to our State's economy, and now the Visitor's Bureau—and we have Mr. Stanley Hong, who is the President of the Visitor's Bureau—is predicting that we will have an increase of 3 to 5 percent this year. At the present time negotiations are currently underway to increase air routes between Japan and the United

States, and Honolulu is being recommended as the U.S. gateway into six routes and expanding international access to the Honolulu Airport must provide sufficient staffing facilities to accommodate the demand of arriving international passengers. Therefore, Mr. Chairman, we thank you, because this hearing is most timely for all of us.

I wish to share with you one incident that happened two weeks ago, which I believe most explicitly describes the importance of this issue and bearing to Hawaii.

On June 29th, I received word from the Hawaii State Department of Transportation, that the Immigration and Naturalization Service had issued a regional directive to reduce its staffing from 35 to 25 inspectors at the Honolulu International Airport effective in two days. I found this totally unacceptable, the Service provided a 48 hour notice that it would be significantly cutting its staffing levels. Even with the 35 inspectors, arriving international passengers must wait up to an hour and a half or more to be processed. Additionally, this directive came at one of the busiest times for the Airport.

At my strong request, the Service held off the reduction planned for Sunday, July 1st, until sufficient information was available to evaluate the shortfall. I was eventually assured by the Service that every effort will be made to minimize the impact of the reduction in INS inspectors at the Airport, and that the reduction would be no more than two inspectors during peak periods. While it is unfortunate that a region-wide reduction of any sort was necessary, a reduction of two inspectors minimizes the impact, as compared to the 10 initially proposed by the Service. We are forced to cope with such "announcements" on a regular basis.

I look forward to hearing the testimony of our distinguished panelists. I also look forward to working with you to ensure that such ill-timed reductions do not occur in the future.

I am very pleased that we have with us the new Senator from the State of Hawaii. He has lived with tourism for all of his life. His father, as you may know, is an internationally-renowned minister. I think more people know about Reverend Abraham Akaka than they do about other persons just in Hawaii. He is better known than me, for example. This man here, Dan Akaka, is his brother. I am pleased to have him sitting next to me. I am pleased to have him help me in this effort. I think the Committee would do well to listen to his wise words. He will have much to contribute to us.

Senator ROCKEFELLER. I know he will, Senator Inouye, and I am very much looking forward to his testimony.

Senator Burns.

#### OPENING STATEMENT BY SENATOR BURNS

Senator BURNS. Thank you, Mr. Chairman. I appreciate you calling this hearing today, and rather than to let Senator Inouye get away with saying that the only positive thing we are exporting is tourism, I think agriculture is still in the black. I am not sure.

Senator INOUE. Not as much as tourism.

Senator ROCKEFELLER. \$1 billion behind tourism, interestingly enough, as an export.

Senator BURNS. That is raw product. Turn it over as many times as tourism does.

Senator ROCKEFELLER. Conrad is tough to beat.

Senator BURNS. These are two things that are vitally important to the State of Montana, and I want to associate my words with that of Senator Inouye when he says that it is wonderful to serve on a Committee that has a Chairman that realizes tourism is one of the largest potential growth areas that we have in this country. What we are falling down on is how we receive our guests,—the people who want to come to this country to see this way of life. Because they remember how they were received and they remember how they depart this country, and some things; if it is a bad departure, they forget all the good things that have happened. So I think the interest in this issue is very important to what we are trying to do here in this country.

I would, for the sake of hearing our witnesses today, I have a statement and also some quotes from our representative on the Tourism Advisory Committee established by this Committee. I would enter it into the record, and we will have some questions. I am anxious to hear from the witnesses.

Thank you, Mr. Chairman, for this opportunity.

[The statement follows:]

#### OPENING STATEMENT BY SENATOR BURNS

Mr. Chairman, I thank you for the opportunity to speak today on the issue of foreign visitors clearing our ports of entry. We have come here today to hear testimony concerning airport facilitation concerns.

I would be amiss if I did not, however, bring attention to the problems that my state of Montana and the other border states content with regarding the border crossings. I would like to bring attention to a letter I received from a constituent of mine regarding typical problems he and some Canadian tour operators experience in an ongoing situation. This particular constituent also happens to be a member of the travel and tourism industry advisory council.

Some of the states in this country rely more on ground travel to attract visitors than air travel. So it is very important that all ports of entry are considered here today.

The following is an excerpt from Mr. McRae's letter to me concerning the actual experiences he has had.

I quote, "The Flathead Valley is a popular destination for Canadian visitors on a year around basis. In the winter, hundreds of motor coaches come down from Lethbridge, Calgary and Edmonton to ski at the Big Mountain in Whitefish. The typical profile of people who arrive on these coaches is young people in the age range of 18 to 27 years. In previous years, the border was closed from midnight until 6:00 a.m., making it necessary to cross the border at Sweetgrass, an inconvenience in distance for anyone headed this way. Roosevelt is now open 24 hours, and according to one of the operators who brings groups down, the staff at Roosevelt are unhappy about this, and may be trying to compensate for their unhappiness by inconveniencing travellers crossing the border.

This winter on the occasion, the operator who initially complained about the length of time it took to clear Customs reported to me and the management on the Big Mountain that he was asked by U.S. Customs to fax a passenger list to them, with the idea that it would take less time and hassle to get cleared.

When the groups arrived at the border crossing, all of the passengers were asked for identification, and then the names were laboriously typed into the computer to check background on each and every passenger. It ended up taking over two and one half hours to clear his groups, which as I recall numbered under ten motor coaches. The passengers were angry, and many made remarks that it wasn't worth



the hassle and that in the future, they would either ski in Canada, or go to Idaho, as the clearing procedures were not nearly as time consuming.

On March 16, 1990, I returned from a trip to Japan and Taiwan, arriving at Seattle along with twelve or thirteen other people from Montana who had gone on a trade mission. Three 747's arrived within five minutes of each other, and to our amazement, there were only three customs agents on duty at the counters to process the passengers from these three flights.

A Northwest Airlines employee met our group and made arrangements to clear us as a group. After a thirty minute wait, an agent appeared and looked all of our passports over, then loudly asked: "Who is Lawrence J. McRae?" When I responded he again loudly asked: "What in the world did you buy that cost \$700.00?" (My wife accompanied me on the trip and we had a declared value between us of \$730.00.) This should have been a confidential matter, not announced to the entire delegation.

While in Taiwan, I met with six wholesale tour operators and they were very critical of the visa application process that Taiwanese travellers to the U.S. were experiencing. They indicated that many applications were turned down for their clients and stated with certainty, that those being refused were going abroad for the first time. The tour operators felt that the basis of the turndown was that they were likely candidates for illegal immigration. With the thousands of illegals coming in from Mexico and Central America, it would seem to me that these Taiwanese travellers could be tracked more easily than those from the Mexican border.

While in Japan, I was told that immigration and customs clearance for a Japanese tour numbering 85 people from Kummamoto last October took over four hours when they arrived in Seattle. They were very offended, and I can tell you it is very unusual for the Japanese to openly complain!

I returned from a speaking engagement in Edmonton on April 6. When I arrived at Roosville at 10:30 p.m., I observed customs officers physically searching several pieces of luggage. The owners of the luggage were standing outside, observing the search of their luggage in less than optimum weather conditions. I understand, and agree that it is necessary to check for possible importation of drugs. It seems logical that a trained dog or two could check the entire luggage compartment of motor-coaches very quickly and efficiently, instead of subjecting visitors to a search in view of the public.

In addition, when I was questioned at re-entry, the agent exhibited no public relations nor people skills. He was terse and abrupt, and I considered his manners rude and obnoxious. Only a few feet across the border, the Canadian customs man was extremely pleasant to me when I entered Canada on the preceding day, asked a few questions in a non-offensive way, bid me a welcome to Canada and wished me a pleasant trip!

It may be difficult to deal with the thousands of travelers entering the United States every day, but rudeness should not be tolerated! Perhaps some hospitality training should be considered for our men and women who work in customs and immigration. A first impression is a lasting impression, and in light of the economic importance of international travel to our country, a friendly reception could mean a great deal to our economy!"

Mr. Chairman, I believe this letter speaks for more than just Mr. McRae. I am very concerned about these problems for more reasons than just the inconvenience of our visitors. If those visitors have an unpleasant experience while entering our country it will as Mr. McRae expresses leave a lasting impression. This translates to loss of dollars in the future to those people trying to make a living from tourism and its support businesses. The people in my home state of Montana cannot afford this kind of carelessness. We're struggling to increase our tourism trade in Montana to add to our already bleak economy.

I am very interested in what we will hear today from our witnesses. We need to learn what it is that needs to be done to improve this process and get on with the business of making the necessary improvements.

Senator ROCKEFELLER. Thank you. Before I call on Senator Akaka, I want to say that I am always mindful in whatever work that I do with this subcommittee that the father of tourism, particularly with respect to public policy in this country, is one Dan Inouye, and that is something I never forget.

Our first witness is Senator Dan Akaka.

STATEMENT OF HON. DANIEL AKAKA, U.S. SENATOR FROM  
HAWAII

Senator AKAKA. Thank you very much, Mr. Chairman and members of the Subcommittee on Foreign Commerce and Tourism. I appreciate this opportunity to appear before you at this hearing on foreign visitor entry into the United States.

Mr. Chairman, tourism is an economic lifeblood of Hawaii. As the State's largest industry, it generates nearly \$11 billion annually. The State of Hawaii reaps major economic benefits from increased foreign visitors, but inaction by the Customs Commissioner is making Honolulu International Airport a nightmare for arriving international visitors. The Aloha spirit seems to stop at Customs & Immigration. It is common for foreign visitors to have to endure waits, as you have mentioned, Mr. Chairman, of up to three hours to clear both inspections.

Hawaii has always enjoyed an international reputation for her friendly people and breathtaking scenery, all of which contribute to our continuing popularity as a vacation destination. During the 1980s, Hawaii also became the primary vacation spot for Japanese and other eastern-bound tourists. Over the past three years alone international arrivals in Hawaii have increased by nearly 50 percent. An average of 8,000 foreign visitors arrive daily at the Honolulu International Airport.

However, Mr. Chairman, despite the dramatic increase in foreign visitors, the number of full-time Customs inspectors has decreased by 15 percent. To remedy this problem, I asked that an additional 24 inspectors be assigned to Hawaii through the 1990 Treasury appropriations bill report. Now, although the Customs Service was directed to provide these inspectors, it chose to ignore the request, despite acknowledgement by its Commissioner that the inspectors should have been hired by February 15, 1990.

Because of the further growth of foreign arrivals during this period of delay, I included a provision in the 1991 House Treasury appropriations bill requiring an additional 30 Customs inspectors and an equal number of part-time inspectors at the airport. They are necessary to end these intolerable delays.

The Federal Government needs to get serious about eliminating obstacles to international travelers. It does no good to encourage travel to the United States when we discourage visitors on their arrival. Therefore, Mr. Chairman, I welcome the GAO report which you will receive probably later, that examines foreign visitor entry into this country, including entry at the Honolulu International Airport.

Mr. Chairman, I am also here today to introduce a good friend of mine, Mr. Stanley Hong, President of the Hawaii Visitor's Bureau since 1984, and I would want to leave it in your hands as to whether you want him to appear at this time, but Mr. Hong has represented the State of Hawaii's interest in tourism and marketing around the world. His qualifications are impressive, and as one of the most effective advocates of Hawaii's leading industry, I know he will be a very informative witness to this Committee, and Stan has been a leader in the tourism industry in Hawaii.

Thank you, Mr. Chairman.

Senator ROCKEFELLER. Thank you.

Before I call on Senator Bryan for a statement and before I call on our second witness, I would just like to ask you, and you have mentioned some of them, what are some of the things that you think need to be done in the State of Hawaii, which has to be the Mecca of tourism of all of the 50 states?

What are some of the things that you think need to be done? What are some of the strengths that you have in Hawaii? And what are some of the obstacles that you have to overcome in order to have tourism operating more effectively?

Senator AKAKA. Mr. Chairman, Hawaii is a special place to us. It has beautiful weather. It has beautiful scenery, as I mentioned. The people there are beautiful. And when people come to Hawaii, and even those who come to play golf, seem to play a better game of golf because they are playing golf in Hawaii. And that speaks to the natural scenery and the moderation of the islands.

And because it is such a place, people want to come to Hawaii. And as we mentioned, the statistics on the number of visitors and the 50 percent growth, we need to also provide accommodations for them and accommodations in Customs and Immigration. The state, hoping that we could receive airport monies, can certainly improve the facilities there to hold these folks as they arrive in Hawaii.

As you know, and as I have mentioned, visitors have been held up, even in planes, for many hours, up to a total of three hours before they ever get to any of the Immigration or Customs inspectors. That is one of the problems we have that needs to be corrected. And as far as the people of Hawaii, the Visitors Bureau, the government, the businesses are concerned, we stand ready and can take care of all of those who come to Hawaii to offer them what we call the Aloha Spirit.

Senator ROCKEFELLER. Thank you, Senator Akaka, very much. We appreciate your testimony and hope that you would be able to stay as long as your busy schedule permits.

I would like to call now on Senator Bryan for his opening statement, and Mr. Stanley Hong, maybe you could come forward to the witness table so you would be prepared after that.

#### OPENING STATEMENT BY SENATOR BRYAN

Senator BRYAN. Mr. Chairman, I thank you and congratulate you on your leadership as the Chairman of our Subcommittee, and for convening this important hearing today.

I would ask unanimous consent that the full text of my prepared statement be included and made a part of the Subcommittee record, with your concurrence, and then I would just like to make a couple of brief comments so that we can hear Mr. Hong and the other witnesses.

I would, by way of a prefacing comment, say that I have been delighted to work with Senator Akaka and to know that we have in him, as we do his senior colleague, a real advocate for tourism. His membership as part of the United States Senate will assure all of us that we move that tourism agenda forward under your leadership so that we can make some substantial changes, not only in terms of how we greet foreign visitors, but in terms of a lot of



things that a number of us have been working on, in my case, for some months, since coming to the Senate, in your case, Mr. Chairman, and others, for a number of years.

There are two points I would like to make. Number one, that tourism is the largest industry in this country. One out of every 13 people that are employed are employed in tourism. And yet at the same time, it is an industry that is fragmented. So sometimes it is very difficult, I know for you, Mr. Chairman, and others who have tried to push the cause of tourism in the United States Senate, and our distinguished senior colleague, Senator Inouye, for many, many years, to bring all of those who want to move as soldiers in the field of battle and to support us, to bring us together in some vehicle. And that is why I think the importance of the Subcommittee hearing, such as the one you have convened today, is so terribly important to us.

The second point that I want to make is to reemphasize what you indicated, that on each air traveller there is imposed an excise tax that goes into the Aviation Trust Fund, the point that you made, Mr. Chairman; \$7.6 billion has been collected from those who travel. And I think it is a scandal, it is criminal to say that money which has been collected from the travelling public somehow should be used and concealed as part of a deficit reduction.

That \$7.6 billion would make it easier for all of us to provide the kinds of amenities and the facilities and the kind of things that would make the United States much more tourist-friendly in terms of the millions of visitors who come to this country. And I think that all of you who are out there, whatever your interest in tourism, we need to hear your voices in support of the argument that our Chairman has just made, to get that \$7.6 billion freed up, and to be used for the purpose for which it was collected, and for which the American taxpayer was represented as being used to improve our airport facilities.

And I know that there is a movement afoot to discount that and to try to move in some other directions in terms of other tax initiatives, which frankly, this member of the Senate has some real concerns about.

Mr. Chairman, I thank you very much for the opportunity, and I look forward to hearing Mr. Hong, as well as the other witnesses.

Senator ROCKEFELLER. Thank you very much, Senator Bryan.

And now we are very pleased, Mr. Hong, to have you this morning. I enjoyed meeting with the council this morning, and enjoy your important relationship to that council and your contribution to it. You are the Director of the State of Hawaii Convention and Visitors Bureau. It occurred to me when I said that Hawaii was the Meccas of tourism that I was running substantial risk sitting right next to Senator Bryan. Senator Burns might not have taken kindly to that, but I have to do the best I can, Mr. Hong.

You are our next witness.

#### STATEMENT OF STANLEY W. HONG, PRESIDENT, HAWAII VISITORS BUREAU

Mr. HONG. Thank you very much, Mr. Chairman, Senator Inouye, Senator Akaka, members of the Committee.

Mr. Chairman, I quite agree with you that Hawaii is a fortunate state indeed to have tourism leaders such as both of our U.S. Senators, who have given great leadership to the tourism industry in the United States.

The Hawaii Visitors Bureau [HUB] is a private, nonprofit corporation supported by a membership of almost 3,000 from the visitor industry, the business community, organized labor, and the general public. The HVB has been designated by contract with the State of Hawaii as its marketing organization for the promotion of tourism to Hawaii from around the world.

We have 90 employees with offices in New York City, Washington, Chicago, San Francisco, Los Angeles, Tokyo, Hong Kong, and with representative offices in London, Frankfurt, Vancouver, Seoul, Korea, New Zealand, Australia, and Singapore, as well as offices on all of our major islands in Hawaii.

Tourism is Hawaii's number one industry and we take it very seriously. Last year, as was mentioned, over 6.5 million visitors came to Hawaii and generated almost \$11 billion in revenue to the State of Hawaii. The visitor industry accounts for approximately 35 percent of all of its jobs, with many more from businesses that service the visitor industry. Literally, the whole state is a part of this vital industry.

My testimony today will address a very serious problem that has been developing in recent years at the port of entry at Honolulu International Airport, where foreign travellers, many of them tourists, are being forced to wait long and tedious hours before they are able to complete inspections at U.S. Immigration and Customs procedures.

In recent remarks to 1,200 guests at the annual membership meeting of the Hawaii Visitors Bureau I drew attention to this problem. I cited our state's growing reputation for having the most "inhospitable port of entry" in the United States. I reminded my audience that 1.5 million foreign visitors in 1989 left about \$4.5 billion in the State of Hawaii, and I called for a new attitude and policy from the Federal Government, who has jurisdiction over U.S. Customs and Immigration procedures at the Honolulu Airport port of entry.

Unfortunately, while the U.S. Commerce Department, through the USTTA is expending millions of dollars to promote tourism to America, the regulatory agencies of the Justice Department, (U.S. Immigration), and the Treasury Department, (U.S. Customs), are not coordinated to the U.S. tourism program, and do not appear to support the obvious need for some operational system that will extend a warm welcome and expeditiously get foreign visitors through the gates, while maintaining a responsible level of vigilance and security that they are charged to do.

At the Honolulu port of entry, we have a truly damaging situation, primarily with Immigration procedures that are causing lengthy wait periods and lines up to one to three hours. Oftentimes passengers arriving after long flights up to seven to eight hours must wait aboard their planes for up to one hour prior to unloading, and then having to wait another one to two hours to get through Immigration and Customs procedures.

Senator ROCKEFELLER. And that is routine?

Mr. HONG. That is routine, Senator.

It is becoming very, very routine—too routine for us to accept. I think, over a number of years, we have been hoping that this situation would improve, and we have kept our counsel to ourselves and tried to work as much as we can with the local officials. But we have now reached the point where I think we have got to do something to resolve this serious problem.

Some procedures have been suggested to diminish the problem of crowding and delay at the foreign arrival area at our Honolulu point of entry.

The first of these is for the U.S. Customs to carry out a pre-clearance of Japanese residents headed for the United States through Hawaii at the departure port in Japan. As initially conceived, this plan met with powerful resistance from the Japanese, and from the U.S. Customs. The Japanese quite understandably do not want uniformed and possibly armed officers of the United States enforcing our laws in their country. The Customs people see this as a dilution of their personnel to a foreign country and all the problems of establishing homes, moving families, and so forth.

The Department of Transportation of the State of Hawaii is not pushing this pre-clearance idea because of the stated opposition. It has been suggested that the plan might work if Customs agents only acted in an advisory position and did not enforce our regulations in Japan. This does not, however, get rid of the other complications of sending our Customs agents overseas.

The second proposal is for the initiation of a pre-inspection plan by the Immigration inspectors. This, too, would mean sending U.S. Immigration inspectors to Japan and Immigration officials have indicated to our State Department of Transportation that they would approve of this plan. Essentially, the plan would work like this. Travel documents belonging to travelers headed for the United States would be examined in Japan. On arrival in Honolulu, the visitor would go directly to U.S. Customs inspectors. Since there seems to be strong evidence that the major source of delay at our airport essentially occurs during Immigration inspection, removal of that inspection to Japan could be expected to speed things up at the port of entry in Honolulu. Obviously, there's going to be some negotiation required with Japan. One suggestion has been made that a pilot program be established at some airport in Japan other than Narita.

All of us, the Transportation Department of the State of Hawaii, the U.S. Immigration Service, and U.S. Customs need to be looking beyond our immediate problems. Two major airlines are indicating a desire to serve other airports in Hawaii with direct non-stop flights from Japan. I am speaking of Japan Airlines and Northwest Airlines. I feel sure there will be others. Our transportation officials will have to expand existing facilities to accommodate Federal inspections, and both Immigration and Customs will have to find personnel to staff these facilities.

A third program, the visa waiver, has been in operation under a pilot program since 1988. The State of Hawaii supports the principle of this program, but feels that there are some changes that need to be made in the visa waiver form before permanent implementation is accomplished. Our experience with the existing form

indicates that it raises the inspection time required for each individual at the airport by half a minute. And if we multiply that by 7,000 to 8,000 entering individuals, you have a severe increase in clearance time, the very thing that we are trying to avoid. Our State of Hawaii Transportation Department feels that the visa waiver form could be revised and simplified and some of the delay could be eliminated.

The fourth program is the requirement to have Immigration and Customs inspectors to be at least bilingual and able to communicate with our visitors from Japan, Korea, et cetera, at the Honolulu port of entry. Obviously many of the changes that are needed in arrival clearance procedures must be initiated from Washington, and that is why I am here to do what I can to give that some impetus.

As I have said, there has been a steady increase of foreign visitors to our state. Foreign visitors accounted for 27 percent in 1987, 28 percent in 1988, and 30 percent of all visitors to the state in 1989. I might add that Hawaii is experiencing its ninth consecutive year of tourism growth.

To suggest the magnitude of the economic benefits inherent in our eastbound visitor business, let me speak of the increasing visits by Japanese visitors in keeping with their government's "10 million" program. This program was introduced in 1987 to encourage overseas vacations and leisure trips by Japanese citizens with the objective of having 10 million Japanese travelers go abroad by 1992. The "10 million" program has been so successful that it will meet its goal by the end of this year, two years ahead of time. It seems likely that the program will be expanded to function throughout the rest of the decade.

Hawaii is considered one of the most favored destinations by the Japanese. By 1995, the number of Japanese visitors to Hawaii is expected to reach 1.9 million visitors. It is easy to understand why we are very concerned about jeopardizing this important market.

From a national perspective, tourism is an export and supporting this industry should be as much of a national priority as the exporting of heavy equipment or technology. However, there appear to be signs in our Nation's capital that tourism has not been viewed as a serious contributor to the U.S. economy. When foreign citizens purchase air tickets on a U.S. carrier or buy goods and services while they are in the United States, tourism becomes a very serious product, export product. A study recently completed by the USTTA found that foreign visitors spent over \$37 billion in the U.S. in 1988. Even these two-year figures of spending amounts indicate that the tourism industry earns more export revenue than agriculture, chemicals, or motor vehicles. Incidentally, the study also shows that, at least in this industry, the United States enjoys a \$3.1 billion travel surplus over Japan in 1988, and almost \$6 billion in 1989. And I have every reason to believe that the surplus and the balance of trade has continued to the present. Clearly, the visitor industry produces a significant contribution to the nation's economy.

Hawaii has a resident population of just over one million people with a gross state product for 1988 of \$21.6 billion. Our visitor industry accounts for 42.6 percent of that gross state product in 1988.



The State of Hawaii is deeply committed to protecting and enhancing the foreign visitor market. We have committed \$3 billion of state funds for an expansion and modernization of our state airports over the next five years.

There is another urgent matter that I want to bring to the Committee's attention. Every foreign visitor who enters, slowly, through our port of entry is charged a fee of \$5 by the Immigration officials. Then they shuffle past the Customs inspectors. They are charged another \$5. Then, before they start their visit in Hawaii, they are required by the Federal government to pay another \$3, which theoretically goes into some sort of airport trust fund which is already approaching \$8 billion, as you have mentioned. Much of this money is supposed to have been spent to improve airport facilities and make possible better services from Immigration and Customs service. However, there is little evidence that anywhere near that amount is being spent as it was hoped it would be on the facilities and services such as our crowded port of entry in Honolulu. We are not certain what has happened to all that money, as you have mentioned.

However that may be, Hawaii and other gateway cities deserve a better return on what we are contributing to the Federal Government. In Hawaii, of course, we are keenly aware of the importance of tourism to our economy. The State is prepared to spend \$1.2 billion of its own funds to expand Honolulu International Airport and build a new international terminal to house U.S. Customs and Immigration operations. Officials from both Immigration and Customs Services have warned us that they will need bigger staffs. We believe them.

What we also need from the Congress a review of the missions and procedures of both Immigration and Customs. In this rapidly changing time, while other nations are welcoming visitors from across their borders, we seem to be building barriers heavier, higher, and more bureaucratic, at least in Hawaii's port of entry.

I am very grateful for this opportunity to testify before this Committee. The problems I have outlined are severe and bear on a very important segment of our visitor industry, and hence, the income of the State of Hawaii.

I would like to conclude, however, on an upbeat note. The problems that I have stated to you are essentially problems that have arisen due to the success of foreign visitor tourism to the U.S. To a great extent, we should take time to commend and congratulate ourselves. Certainly I want to commend the outstanding leadership that Hawaii's two U.S. Senators have shown in literally leading the charge for tourism, Senator Inouye in the Senate and Senator Akaka, until his appointment to the Senate, in the House of Representatives and now in the Senate. Thank you very much, Mr. Chairman.

Senator ROCKEFELLER. I think a number of us have questions. I certainly would have a couple. You have described the problems very eloquently. You have, obviously, a lot of airlines out there that have a lot at stake in this. They want to keep their passengers happy. You have Federal inspection services, you have the Airport Authority, you have the visitor's bureau that you yourself direct,



and I have to assume that they cooperate and talk on these problems, do they not?

Mr. HONG. Yes, they do. The Governor has formed a task force including all of the parties that you have mentioned.

Senator ROCKEFELLER. Is that the Airport Facilitation Committee?

Mr. HONG. Yes. It is a task force on airports, essentially, which includes facilitation as well.

Senator ROCKEFELLER. If you get all of those parties together, and the Governor convenes them, and it is the size of industry that it is, you know, I guess one question could be asked, why can't you get results? I mean, you are making a lot of money from this, you have got the parties out there, it is a centrally focused area of tourism, highly visible. You have got, I think, one experiment going on out there where inspectors kind of mingle among the travelers while they are waiting in line to try to cut down a little bit on time. I do not know whether experiments like that work, but it seems to me that something, with all of you working together out there, something could have broken free.

Mr. HONG. Yes, much good progress has been made, Senator. We have tried to work more closely together, realizing also that the Immigration and Customs personnel are limited in many ways, and many of them are overworked. Many of them do not have the multi or bilingual ability, which calls for constant interpreters to be brought in at the point of entry. This creates lots of delay, but we have made some progress.

But, I think in the bottom line is, there is need for more personnel, I would say, and if I had to direct it, it would be more toward Immigration at this period of time. We have 24 gates at the point of entry of Immigration, and 24 gates at Customs, and at the moment, at the very maximum, they can man but 16, personnel to man 16.

Senator ROCKEFELLER. As Senator Akaka mentioned, there is over a \$7 billion trust fund surplus. If you had some of that money, what in fact would you do with it?

Mr. HONG. Personnel would be the number one priority, that we would allocate some of the funds to both Immigration and to Customs, because I think in many instances, they are overworked and there is no question about it, and that is reflected in the bottleneck, because they cannot continually keep their personnel at the gates over many, many hours of time.

The facilities are already underway. The state is going to pay for the new terminal facilities out of their own funding.

Senator ROCKEFELLER. That is interesting. In other words, getting nothing from the Airport Trust Fund? It's going to be a state-funded—

Mr. HONG. That is correct. It is going to be purely state funding, \$1.3 billion for the new Honolulu International Airport terminal.

Senator ROCKEFELLER. Am I not correct, Senator Inouye, that in the new Denver Airport, which is going to be gigantic, that that is also entirely a municipal, almost entirely a municipal bonding, that once again the Airport Trust Fund is hardly anywhere to be seen? You have to do it all?

Mr. HONG. I believe that is correct. The state is expending its own funds through whatever bonding revenues it can generate, but it will be out of its own treasury.

Senator ROCKEFELLER. Senator Inouye.

Senator INOUE. The statement just made by Mr. Hong is a very forthright, honest one, and in line with that, I ask unanimous consent that an article entitled, "Not Paradise, but Purgatory," that appeared in the Sunday Star Bulletin Advertiser, July 15th of this year, be made part of the record by reference.

Senator ROCKEFELLER. I would like to take a look at that because I think that shows the line.

Senator INOUE. However, that article does not give a full picture of what is happening. There are several factors involved that make our job almost insurmountable. Number one, the countries from which these tourists generate and arrive have curfew hours or restrictions on departure time. So the departure time is not evenly spread out throughout the 24-hour period. They are all piling up and it ends up in Hawaii, when most of our visitors arrive during a period of four hours. Now if they were spread out in 24 hours, our people can do a better job, obviously. So that is one element over which the state of Hawaii and for that matter, the United States Government, has very little to do because its the prerogative of the sovereign country to decide whether a curfew should be applied.

Number two, whether we like it or not, we have a very serious problem in drugs. Honolulu happens to be a major port of entry and in many cases the first introduction to the United States. And that being the case, I can understand the concern of the Department of Justice, the Customs people, and the Immigration people. They are not just looking over to see if people are coming in with wrist watches that have not been declared. They are looking for the big stuff.

Thirdly, we do have a problem with criminal elements coming in from Asia, from Japan, from Korea, from the Philippines. Just a few hours ago, we had a major raid in Honolulu, the biggest raid, the biggest haul on crack was done in Honolulu.

And so, these are concerns that we cannot afford to tell the Federal government and just set it aside. These are very important concerns. Now, having said that, I join you in the hope that our government would be able to better utilize that surplus money we have. The drug problem that I speak of, the criminal element problem that I speak of, bothers Senator Bryan also. He has that problem in the Las Vegas Airport. The San Francisco Airport has that problem, and lesser than the Honolulu Airport. We have it in a massive bundle there.

And so it is not a easy problem to cope with, but as Mr. Hong has indicated, it would help immensely if we could increase the staffing of the Immigration line, the Customs line, and maybe have a few bilingual people there.

I wish to commend those who work in Immigration and Customs, because I have gone through that line, and if you are looking for overworked Federal workers, all you have to do is look at them. That article speaks of one Customs inspector having to cope with 400 visitors. It is purgatory for the visitors, and I think it is double

purgatory for that government employee, and I think that is unconscionable both ways. We should not be treating our Federal employees in that manner. We should not be treating our visitors in that manner.

So this hearing, as I indicated in my statement, is not only timely, it is very important. If we want to keep up this favorable trade balance that we have been able to maintain as a result of tourism, then we better do what our commercial ads say; "Welcome to the United States. We want you here." because I have talked to some of them who have visited us and they have stated to me that after waiting two hours in the line, they are ready to buy a return ticket to go home. It is very serious, but we cannot point the finger just at Customs and Immigration. Give them the money, I am certain they can do it.

But, as you know, we have our budget crunch, and sometimes these things do not get the highest priority treatment here, which is too bad.

Senator ROCKEFELLER. Thank you, Senator. Senator Bryan.

Senator BRYAN. Thank you very much, Mr. Chairman. Let me Mr. Hong, if I may, take you through the list of four very constructive proposals that you make in your prepared statement and ask you what the response has been and where we are currently with it.

Now the first of these, as you talked about the U.S. Customs to carry out pre-clearance, and you outlined in your prepared testimony some of the concerns, and we understand that, and Senator Inouye certainly has pointed out the legitimacy of other public policy concerns that relates to drug trafficking and illegal entry by those who clearly ought not to gain access to our country. Specifically, what now is the situation, what are you being told, and where can we in the Congress play a helpful role in implementing this type of an approach?

Mr. HONG. Preclearance at Customs was objected to strenuously by the Japanese government, as I had mentioned, and also Customs. So I would suspect that it is probably a non-starter. Preclearance of immigration by advisory inspectors, we have not really explored that. And it seems as if Immigration have indicated to us they might be amenable to that.

Where that could be helpful is if advisory inspectors could assist, take for instance, Japanese visitors going through the line in Japan with their immigration forms, their visa waiver forms, et cetera, because by the time they get to Honolulu, that is what bottlenecks it, the forms that they have filled out.

Even though visa waiver has been a success with regard to numbers, it has also created a bottleneck, because certain questions have to be asked of the person who fills it in. And if that person cannot understand English, that requires an interpreter to be brought to the gate and then it takes more time. And so that is a problem we need to work on.

The streamlining of the visa waiver form can be one aspect of it. We think we have some ideas with regard to that. If Immigration could put advisory preinspection in Japan, that would be helpful as well.

We are trying to be practical in the sense that if we cannot get more personnel, obviously we have to try other more resourceful ways of alleviating it. But, on the other hand, I am well aware that if we require Customs or Immigration to be in Japan, that would require more personnel.

Senator BRYAN. And a lot more cost.

Mr. HONG. And additional costs. So it is sort of a circuitous situation we find ourself in.

Senator BRYAN. Well, we are not unmindful of the budget constraints. That is a dominating presence here on Capitol Hill this year. But in terms of some of the things that you are suggesting, we could probably do a far more effective job with the existing personnel if they were utilized more effectively.

Share with me, Mr. Hong, your sense when Senator Rockefeller was Governor Rockefeller, if the agencies of state government did not work clearly and harmoniously to the objectives which he had outlined, in terms of his positions outlined in the state of the state message, or whatever his policy was as governor, he brought them together I am sure, and knocked a few heads together in saying, now look, I understand each of you have got individual responsibilities, but I want all of you to fully understand that as far as I am concerned, this is a priority and you ought to work together to accomplish that common objective.

Tell me if you have gotten that sense at the federal level, have we got—in the executive branch, they certainly have indicated and been before our Committee a number of times indicating their commitment to tourism, and I believe that is a genuine commitment, but has there been the leadership at the top to say, look, all the task forces that are organized at the state level, and I commend Governor Waihee for his efforts, you need to get the federal presence working together as well.

Is that message being heard, at least in Honolulu?

Mr. HONG. Governor Waihee has really lent great leadership. As you know, Senator, he is the Chairman of the Tourism Committee of the National Governors Conference, and has given great leadership, and has brought together the elements that you spoke of. However, Customs and Immigration, as I mentioned to you, are on the federal level, under federal jurisdiction.

Senator BRYAN. Yes.

Mr. HONG. I believe we have tried to meet with the very top people in both instances, and they have received our complaints and our discussion, but we do not see very much improvement in what we complained about. I met yesterday with Under Secretary Schnabel, and I serve on that advisory board as well, and we have discussed this and discussed it many, many times.

And I think what it amounts to is it does come down to the fact that Treasury, Commerce, and Justice have not really sat down to try to coordinate their various departments to try to come up with some operational plan that can satisfy the security aspect of what they are charged to do, and also the welcoming aspect with which Commerce is charged to do.

Senator BRYAN. Mr. Hong, I suspected as much, and I imply no criticism of the Governor or your effort to the state level, but as you appropriately and correctly point out, these are federal agen-



cies. They do not respond to the direction of the governor, nor should they. They are agencies of the Federal Government.

It seems to me, as you point out, what is required is leadership in the executive branch of the Federal Government to, in effect, say, look, do as the folks at the state level have done. We want all of you who have legitimate responsibilities, and Senator Inouye I thought was particularly articulate and very sensitive and responsive in recognizing that there are those legitimate concerns, you all get together.

I want to see a game plan as to how we can work more effectively together to accomplish a goal both at the federal level and at the state level. This makes good public policy sense, namely, encouraging not just a Hawaiian asset, but a national asset that can pay dividends not only to our respective states, but to the Federal Treasury as well.

Mr. HONG. I agree, Senator.

Senator BRYAN. So maybe we can be helpful there, and I have taken more time than I should. I apologize to the Chair.

Senator ROCKEFELLER. Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Mr. Hong, I thank you very much for your testimony and for highlighting many of the problems that Hawaii has in the visitor industry.

I feel that the heavy responsibility should really be on the Federal Government. I cannot conceive of any reason why our Administration has not done anything with the Airport Trust Fund. It is criminal. Criminal in that we have one industry in our country where we have a surplus. And yet we are not doing anything to help facilitate that industry and to improve the procedures that we use in our country to welcome foreign visitors.

And somehow and somewhere the Senate, as well as people like you and states need to band together to seriously go after the Administration in loosening up the Airport Trust Fund surplus to begin to help the major airports in our country so that we can properly take care of visitors.

I hope you have comments to make about that. We may be able to receive your comments and be able to use it in our effort to try to loosen the airport trust fund.

I was also interested in your comment about what Congress needs to do in the review of the missions and procedures of both Immigration and Customs, and would like you to explain that further to this Committee.

Mr. HONG. Senator, as I just mentioned to Chairman Rockefeller, we would welcome any assistance that this Committee or the Senate has with regard to review of the missions and responsibilities of both Immigration and Customs, in not only their charge, which is regulatory and enforcement, but also in implementing the official policy—tourism policy of the United States, which is a warm and hospitable welcome to international visitors to this country.

With regard to your statement about the trust fund, I certainly agree with what you have said and hope that this Committee and/or the Senate could assist us in inquiring into that further to see

whether those funds could, in fact, be used for our needs at international airports.

Senator AKAKA. Mr. Hong, as I said, it is criminal that the Administration has not used this surplus. And when we think of Honolulu and what our state is planning to use to improve the facilities there—

And to mention that an airport like Denver, for the years 1997 to 1999, will be spending \$351 million out of their money just for construction. We seriously need to get the Administration to loosen up this money so we can improve our facilities.

I know you have been very close to the problems that are out there. You mentioned that we need an increase in personnel, both Immigration and Customs. As I mentioned in my statement, I have had it in the law. It was passed. And the Customs Commissioner still has not responded. When I was a member of the House I put in funds to take care of the increases in Customs personnel. In spite of that, they have not carried out the law. And so we seriously need to go after the Administration on these matters so that we can take care of the visitors that come to visit us.

It is a shame. I have been at the airport between the hours of 6:00 a.m. to 11:00 a.m., and the place is crowded with people coming from abroad, mostly from the Orient. I feel so sorry for them. As you pointed out, they have been kept on a plane for an hour and even two hours waiting for Customs and Immigration. I want to do all I can with the leadership of our Chairman here to try to improve the situation, not only for Honolulu, but for our country. I thank you very much, Mr. Hong, for your comments, your remarks, and your suggestions as to how we can improve the situation here. Thank you very much, Mr. Chairman.

Senator ROCKEFELLER. Senator Burns.

Senator BURNS. Thank you, Mr. Chairman. And thank you, Mr. Hong, for coming today and testifying.

And I would imagine that as in any fund—let's make it very clear here today—that in any fund, it is according to priorities. If those people want to increase entitlements, then the money is going to have to come from somewhere. So where does it come from? It comes from funds like the airport trust fund, Social Security. Now let us not get misplaced here, because it is the Congress that sort of sets the priority sometimes. Sometimes it is our fault. We cannot blame anybody but ourselves.

I was interested in your recommendation of a visa waiver form. I am not familiar with that, and I certainly would like to know more about it. You have got to remember that this is about the only country in the world that people are wanting to get into. They are running away from everywhere else, and we have to be a little bit cautious in some areas. And I would be interested in your idea on how that would work.

Mr. HONG. The visa waiver program has been in operation since 1988. As you know, Senator, it was on a trial basis for three years, and I think that the State Department feels it has been very helpful and positive and are continuing it and expanding the number of countries with which we have reciprocity from 8 to about 30, I believe.

And what that entails is, if you have a passport, being a foreign traveler, you merely get on the plane, and generally visa waiver forms are given to you and filled on board flight, on your flight heading toward the United States. And then you submit it to Immigration with your passport at the port of entry.

Senator BURNS. And you would recommend that be expanded to more countries?

Mr. HONG. We do favor expanding it. But we do also favor streamlining the form. It is quite a lengthy form, and maybe we could streamline it, which would help a lot in its administration through the port of entry.

Senator BURNS. You say that you have 24 gates in Hawaii that handle Customs and Immigration. What do you think there should be?

Mr. HONG. We think that if we could fill all 24 gates with personnel, that would be very helpful.

Senator BURNS. Right now we have only got 16?

Mr. HONG. That is correct. And at the peak, as Senator Inouye has mentioned, the first four hours of the morning, we have about 8,000 visitors descending upon that airport, and it is not a sufficient number to handle it.

Senator BURNS. I agree with you in your assessment. How people are greeted when they arrive and when they leave usually makes the biggest impression. So I appreciate that, and I also appreciate the attitude that Hawaii takes on tourism. I know it is a humongous industry in Hawaii, and I am going to take Dan up on his invitation—I am going to see if I can go over there and play better golf. I am looking for a way to do that. Monday I was sorely in need of a little Hawaiian air, I think.

Thank you very much, Mr. Hong. I appreciate your testimony.

Senator ROCKEFELLER. Thank you, Senator Burns.

Mr. Hong, just two quick questions. There are 24 hours, as far as I am aware, in the course of the day. Why in God's name do 8,000 tourists have to arrive within a period of four hours? Why do there have to be four peak hours? Why is that not an area where your visitors bureau and the airlines can get together and distribute the pain just a bit?

Mr. HONG. I am glad you asked that question, Senator, because that is when the visitors want to arrive, quite frankly. I usually use the analogy of the United States being a store owner who is promoting its wares. And if all of its customers arrive in the morning, I do not think the store owner would say, "please, could some of you come in the afternoon when it would be more convenient and we would have more help?" We are the seller. We are trying to accommodate the visitor. So it is up to us to accommodate them when they wish to arrive.

Now also, too, Senator Inouye brought up the point that Narita Airport has a curfew. All the planes must leave by a certain time. And usually the Japanese visitors who spend an average of six nights in Hawaii do not want to spend the first night during the day flying to Hawaii. But they leave at night, just before the curfew, and arrive in the morning when they hope to have one full day of vacation out of their six. So there are some very practical

reasons why all of the planes arrive in the morning--most of them arrive in the morning.

Senator ROCKEFELLER. It is practical. It also may be that the submission that Senator Inouye made showed a line at 2:00 in the morning and it may be that there have to be some adjustments made in spite of it.

Mr. HONG. Actually, we have, Senator, asked the airlines to consider coming later in the afternoon and none have taken us up on our offer.

Senator ROCKEFELLER. I think it is a fair question for a Federal person to ask.

Mr. HONG. The question has been discussed, and as I say, we have discussed it with the airlines. And most of them choose to come in the morning when their customers wish to come.

Senator ROCKEFELLER. The other thing would be if the planes were not available at another time, the customers would be pleased to come when the planes are available. Customers tend to get on the planes when planes are available.

Mr. HONG. There are a lot of things that could happen. I agree with you, Senator, if they could be asked to spread it out a bit, which we have. And if they do, it could be helpful.

Also we do support a nonstop flight from Japan to the island of Maui. I believe Japan Airlines has been granted permission to go to Maui, but because there are no Customs and Immigration facilities there, they have to fly into Honolulu, off-load their passengers, off-load the baggage, go through Customs and Immigration, and then get back on the plane and then on to Maui. So it is not a very convenient way to do it.

Senator ROCKEFELLER. Senator Burns, I am just interested in this as a matter of philosophy because I am on your side, Mr. Hong. But I must say, here we are complaining about not enough use of the airport trust fund and not enough money for facilities, not enough money for inspectors, for bilingual training, and everything comes in four hours. And there is a chance here for one of the parties to give way, it would seem to me, without losing substantial traffic. It seems to me there would be some pressure at this point upon the airlines to make a convincing case that, were they to dilute their schedule just a bit, to eight hours as opposed to four hours, that this Senator would be interested in knowing what the effect of that might be.

Mr. HONG. Of course I cannot speak for the airlines, but there is pressure on the airlines. Obviously if they cannot get their passengers through Customs and must wait on board for an hour, or one or two hours, there is a lot of pressure on the airlines, because they, too, have to service these people.

Senator ROCKEFELLER. Are there not people who are making decisions simply not to return, or are clearly frustrated, or shorten their visits because of the four hour---

Mr. HONG. Absolutely. We do have many complaints to our bureau about the long wait and the fact that many of them will choose--especially tour groups can easily take their groups to other ports of entry, to Australia or to other countries rather than to Hawaii or to the U.S. And many of them have threatened and some have even done so.



Senator ROCKEFELLER. I ask this question with a bit of bias. I was making a side comment to Senator Burns a moment ago, a not overwhelmingly sympathetic one. People complain that we have 8,000 tourists coming on airlines within a four-hour period. In West Virginia, we have thousands and thousands of tourists who come, and after airline deregulation, American Airlines, Eastern Airlines and United Airlines were all gone from the State of West Virginia within a period of three months.

Now, that may be the free market system at work, but the free market system must be fair in all directions, and I would give anything to have an 8,000, four-hour glut problem in West Virginia. If it is a sufficient concern to Hawaii, I would think substantial pressure on the airlines is in order, and I think it frankly is a question which ought to be addressed, you know, to this Committee before recommendations are made. I think you raised, or I have raised, or between us we have raised here a substantially fair question.

Mr. HONG. It is a question that has been addressed, Senator, and continues to be addressed. As I mentioned to you, if we accept the premise that we are not going to get relief with regard to personnel, we obviously have tried many other approaches both through the airlines as well as other cooperative efforts with the local directors of Immigration & Customs to try to alleviate it.

I think success, has brought more visitors, and what we are trying to say is, these visitors are all good, not only for Hawaii but for the United States as a whole, because of the expenditure of funds that these visitors make, and that some relief is required either through more innovative—as you suggest, more innovative ways of handling it, which we have tried.

The task force that I mentioned to you that the Governor has formed has, I think, gone down a whole list of things that we have been able to work with the local directors of Immigration & Customs, and it has helped.

Senator ROCKEFELLER. I appreciate that.

Mr. HONG. They continue to do so. This is a continuing task force that the Governor has formed.

Senator ROCKEFELLER. We look forward to the results, Mr. Hong. We are grateful to you for taking the time to be with us. Your testimony is very valuable. It is very valuable to me, personally, and I thank you, sir.

Mr. HONG. Thank you, Mr. Chairman.

Senator AKAKA. Mr. Chairman, I would like to thank Mr. Hong for his excellent statement and for bringing the problems that we face in Hawaii to this Committee, and I want to thank the Chairman for allowing me to sit with the Committee. Thank you.

Senator ROCKEFELLER. The second panel will be Mr. Allan Mendelowitz, who is the Director of the National Security and International Affairs Division of the Government Accounting Office.

**STATEMENT OF ALLAN MENDELOWITZ, DIRECTOR, TRADE, ENERGY AND FINANCE ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION; GENERAL ACCOUNTING OFFICE; ACCOMPANIED BY ROY KARADBIL; AND SUSANNE WOOD**

Mr. MENDELOWITZ. I would like to introduce the two staff I brought with me. On my right is Roy Karadbil, and on my left is Suzanne Wood.

What I would like to do is read a few shortened portions from my statement and submit the full statement for the record, and then I would be happy to answer any questions you may have.

I am pleased to be here today to discuss with you our preliminary observations on foreign tourism in the United States. Specifically, we have been looking at the issues and conditions that affect the speed and ease with which a foreign visitor can gain entry into the United States. A major transformation is taking place in the realm of tourism. Americans who for years have been the world's premier tourists are now becoming the hosts as well, and it will come as no surprise that the United States has become a major tourist destination.

This is a country of great natural beauty and variety, offering visitors a myriad of attractions in U.S. cities and national parks and forests, as well as diverse cultures and geographic regions, and there has been tremendous growth in the number of foreign tourists in the United States, making foreign tourism the largest foreign-currency earner.

How foreign tourists are greeted and received at airports is important, because this is the first impression of the United States. Many American tourists return from travels in Europe with tales of airport facilities and services for foreign tourists that may be lacking at our own international airports, such as speedy transit through Immigration & Customs, convenient translation services, free maps and informational guides, readily-available assistance in locating lodging and making reservations, and efficient, inexpensive ground transportation.

Conversely, there have been reports of foreign tourists being greeted in the United States by long, slow-moving lines in Immigration & Customs, lengthy waits for baggage, unavailable translation services, problems getting ground transportation and scams by taxi drivers charging exorbitant fares. To the extent that these reports are true, they make the United States a less attractive tourist destination.

A foreign visitor arriving in the United States will encounter three entities that affect the process of entering the United States: the airport authorities, the Federal inspection services, and the airlines. Although each of them has a different function and mission, all three share the desire to aid the visitor's entrance into the United States, all three also recognize that this process is not carried out as quickly and as efficiently as it could be. Basically, there is congestion and long waits at all the airports we visited, taxing the airlines, the airport facilities and the Federal inspection services.

However, each apparently views the source of the problem differently. If you were to stand representatives of all three in a circle and say, what is the source of the problem, all three would go like this [indicating]. The airport authorities would tell you that the problem is that the airline schedules cause peaking—the arrival of too many planes within a narrow time period—and that the airport's facilities and the Federal inspection services are not able to adequately handle the processing of passengers at peak times. The staffs of the Federal inspection services also believe that the source of the problem is the airline scheduling, and that the airport authorities do not provide adequate facilities for passengers, luggage and the Federal inspection process to handle peaking.

The airlines, on the other hand, maintain that they are bound by the desires and the needs of their customers, that peaking is simply a result of customer demand, and that the source of the problem is that the airport authorities and the Federal inspection services are unable or unwilling to adequately meet customers' demands.

Because you specifically asked the question of the source of the peaking, I was thinking about an appropriate answer to your question. If I can interject it at this point, I think I can shed a little bit of light with a simple model pulled out of the economics literature, and it deals with the fact that when you have competition, you do not always have solutions that are socially optimal. In other words, the competitive solution is not the socially optimal in all circumstances.

Let me give you an analogy. Imagine, for the moment, a beach that is a mile long, and it is full of bathers, and they are evenly spread out across the beach. Then two ice-cream vendors arrive, each pushing identical carts, selling identical ice-cream pops, and they charge the same prices. What determines which ice-cream vendor a bather is going to buy his ice-cream from is how far he has to walk. The bather will go to the closest ice-cream vendor.

Well, what is the socially optimal positioning of the vendors? Well, clearly the socially optimal positioning is to put one vendor at the one-quarter mile mark, and the second vendor at the three-quarter mile mark, then the maximum distance that any bather has to walk to get his ice-cream is a quarter of a mile.

Well, this is the socially-optimal solution.

Senator ROCKEFELLER. I am for you for President.

Mr. MENDELOWITZ. Each vendor gets half the sales, and no bather has to walk more than a quarter of a mile.

But we unchain the vendors now, and one of them realizes that if he moves a little bit closer to the center of the beach, he can get more than half of the bathers, so he wheels his ice-cream cart down the beach a little bit, and he gets everybody to his right, to the end of the beach, and he gets half the people between him and the other vendor, so he gets more than half of the bathers.

Well, the second vendor sees his business drop off, he realizes what is happening, and he starts moving toward the center, and when the process is completed, the two vendors are at the center of the beach, standing back to back. Each one is still selling to exactly half the bathers on the beach. Each is still selling the same number of ice-cream bars that he would sell if the vendors were at the one-quarter and the three-quarter point, but the bathers now

have to walk a half a mile instead of a quarter of a mile at maximum.

That is the problem with peaking. The airlines cluster their departures in part because of restrictions that you have heard about because of pollution controls and embargo periods and black-out periods when you are not permitted to fly, but they also position their flights based upon when the travelers really want to travel. If they do not cluster their flights together, they are going to lose passengers, because if one airline makes a sacrifice and moves away from the optimal time slot the other airline is going to get a larger share of the passenger travel, and that is why I say, for example, if you leave Frankfurt to come to Washington——

Senator ROCKEFELLER. But Conrad Burns and I were both college professors before we came into this business.

Senator BURNS. I have been called a lot of things, but professor was not one of them.

Senator ROCKEFELLER. I understand your economic model, but those people on the beach are thirsty and their task is much simpler. In other words, they are going to stand up and wait in line simply because they are thirsty and they want to have their thirst quenched, or their kids' thirst quenched.

It still does not make the argument economically that if the vendor—in that there are only a finite number of planes that are available, unlike an infinite number of Popsicles, that if they were distributed out a bit so as not to be economically optimal and have more social optimal potential, that they would not nevertheless be taken, contrary to the economic model.

I really do not think the whole hearing ought to be about this, but I am not persuaded.

Mr. MENDELOWITZ. I really think it comes down to the fact that passengers do have very strong preferences about when they want to leave and when they want to arrive.

Senator ROCKEFELLER. What are these four hours, from 8:00 a.m. until noon?

Mr. MENDELOWITZ. It varies with each airport and each destination, but typically, for example, if you wanted to——

Senator ROCKEFELLER. In Honolulu.

Mr. MENDELOWITZ. I do not have the details.

Senator ROCKEFELLER. Let us say it is 8:00 a.m. to noon. So whichever one, it is about 8:00 to 3:00.

Mr. MENDELOWITZ. I think that it has to do with when they are permitted to take off from Norita, which was mentioned. Secondly, it has to do with optimal use of their time. Typically, if they want to take an overnight flight arriving in the morning, it is because they want to sleep on the plane, get off and have a full day. If they arrive at 3:00 p.m. or 4:00 p.m., by the time they get out of the airport with all the inspection and processing and get to their hotels, it is the end of the day. They have lost a day.

It may sound a bit farfetched to you, but it does make a big difference. For example, we have an office in Frankfurt, and we have a lot of work going on there. If I go to that office in Frankfurt, my preference is to leave on a flight that leaves Dulles around 7:00 p.m. or 8:00 p.m. I sleep on the plane. The plane gets in at 9:00 a.m. Frankfurt time. I get off the plane, check into a hotel, take a



shower, change my clothes and go into the office and get a day's work in. If the plane arrives at 4:00 p.m., I lose a day's work.

These are the types of considerations that go into the process.

Senator ROCKEFELLER. He is right, is he not? He is basically right. I should stop trying to argue this point about efficiency and understand that the consumer rules. He is right.

Senator BURNS. Why not go on Sunday?

Mr. MENDELOWITZ. I leave Sunday night and get there Monday morning. That is typically what I do.

So you know, there are ways of getting around the peaking problem, but it requires a departure from competition in airline service. For example, if you went to a system that exists in Europe currently, but from which the Europeans are trying to get away, and you had pooling of revenue between the airlines on bilateral routes, then when you departed would make no difference because you would still get your same share of the pooled revenue.

In effect, your revenue is a function of total traffic on the route rather than who flies on your route. If you move away from competition, if you move to a system where you pool revenues—and I am not recommending or proposing this—you could come up with a system that was socially optimal and did not have a lot of peaking and which made best use of the inspection services and the airport facilities. Short of that, if you are going to have competition on the routes you are going to have peaking because the airlines are going to take off back to back and arrive back to back because—

Senator ROCKEFELLER. The magic question still remains. If they spread themselves out until 3:00, you are right if the planes that leave at 3:00 are not full. If they are full, you are not right.

Mr. MENDELOWITZ. That is true. It may be, however, for example, that the plane that leaves at the preferred time will have every seat taken, and the plane that leaves at 3:00 is made up of the people who did not get their reservations in early enough. They are flying on a half-empty plane.

Senator ROCKEFELLER. No, I said full. Well, we will see.

Mr. MENDELOWITZ. Yes. I think it is important to bear in mind that this is a service-oriented business. I think in the good management of any business, whether it is manufacturing, tourism, other services—it does not matter—a good manager starts out by identifying the needs and expectations of his customer, and he succeeds by meeting and exceeding the needs of those customers.

Remember it is not the function, I think, of the airport facilities and the Federal inspection service to expect the tourists to make their life easy. I think our goal should be to meet the needs of the tourists who are our customers and we should figure out how to organize ourselves in a way that meets their needs and expectations.

Anyway, if I may briefly summarize some of the other points in the statement, we discussed a number of the problems that are out there, we discussed some of the things that are going on in the airports, and we also made reference to some of the steps that are being done to improve the situation. We went to 13 of the major international airports, and in every single one of them there was either a recent expansion or renovation that had been completed or renovation or expansion that is under way or in the planning stages. So hopefully there will be improvement with larger, newer

terminals and more gates and better designed and larger Federal inspection areas.

There have been a series of experiments in how to speed up and improve the process. Orlando Florida Airport, for example, provides videotapes to the airlines to show in flight to arriving passengers which describe in five languages the Federal inspection process so the arriving foreign tourists will have an explanation in his or her own language that helps them to understand what they are going to go through when they get off the plane and go through the inspection process.

O'Hare Airport is trying to develop a computerized translation service with computer screens that give a variety of information for tourists in multiple languages.

The Department of Transportation wants to expand the open skies policy which would open up the number of destinations in the United States so you would not have as much congestion at a small number of arriving ports. I have to say that that makes better use of all our airports, but it makes it harder for the Federal inspection service because they then have to spread their limited staff over a larger number of airports.

Customs and Immigration, as you have heard, have been using preclearance and preinspection at foreign airports to reduce the workload and congestion at our airports, and there has been a move toward increased automation in the process of passports and arrival documentation.

We are still in the process of analyzing the information we have collected and reviewing all the different proposals to improve the arrival process, but there are some suggestions that have been voiced to us which we can pass along that might be of some help.

For example, although tourism is really the primary responsibility of the private sector, the USTTA does have a responsibility and some unique opportunities. One of them is, for example, they could develop a model of what an ideal arrival situation should look like for foreign passengers in terms of airport facilities, Federal inspection facilities, tourist facilities, check around and see what the innovative successes are at different airports, meld this into the model and send it out to the airport authorities so that they have some set of guidelines of what an ideal arrival facility would look like.

USTTA could also expand their gateway reception program where they hire college students to provide translation services at the airports.

To more efficiently use its resources, INS could seek the appropriate legal authority to reinstate what is known as citizen bypass. Roughly half the passengers coming through the international arrival terminals are U.S. citizens. For a period of time they did not inspect the documents of U.S. citizens, and this speeded up the process. Then they decided that they did not have the legal authority to do that, that they in fact were required by law to inspect everyone's documents individually. They have, therefore, gone back to looking at everyone's documents. If they had the legal authority to reinstate citizen bypass, they could let half the people coming into the airports go through without queueing up because they hold American citizenship.

More revenues could be made available if the exemptions on the user fee for travelers arriving from Canada, Mexico, and the Caribbean were eliminated. If that exemption were eliminated, there would be more money available for making more Federal inspection officers available. That is that \$10 fee; \$5 is for Customs, and \$5 is for INS.

That is my summary statement, and we will be happy to try to answer any questions you might have.

[The statement follows:]

STATEMENT OF ALLAN I. MENDELWITZ, DIRECTOR, INTERNATIONAL TRADE, ENERGY, AND FINANCE ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss with you our preliminary observations on foreign tourism in the United States.

Specifically, we have been looking at the issues and conditions that affect the speed and ease with which a foreign visitor can gain entry to the United States. We also have been reviewing particular conditions at major U.S. international gateway airports. In the course of our work, we have identified several factors that affect visitor facilitation, including obtaining a visa, the amount of airport congestion, the adequacy of airport facilities, the complexity of the federal inspection<sup>1</sup> process, and the availability of services that airports provide to foreign visitors. Further, we noted that the actions and policies of the three entities most directly involved with visitor facilitation--airport authorities, airlines, and the federal inspection services--have a major impact on how efficiently foreign visitors may enter the United States.

#### BACKGROUND

A major transformation is taking place in the realm of tourism: Americans, who have for years been the world's tourists, are now becoming the hosts as well. It should come as no surprise that the

---

<sup>1</sup>The federal inspection services include the following agencies: the Immigration and Naturalization Service (INS); the United States Customs Service (USCS); the Public Health Service (PHS); and the United States Department of Agriculture's Animal and Plant Health Inspection Service (APHIS).

United States has become a major tourist destination. This is a country of great natural beauty and variety, offering visitors a myriad of attractions in U.S. cities and national parks and forests, as well as diverse cultures and geographic regions.

There has been tremendous growth in the number of foreign visitors<sup>2</sup> to the United States. The Department of Commerce's U.S. Travel and Tourism Administration (USTTA) reports that since 1985, the number of foreign visitors to the United States has grown 49 percent. Approximately 38 million foreign visitors came to the United States during 1989, according to USTTA, and it forecasts that by the year 2000, the number of foreign visitors will increase by 75 percent of the 1989 figure.

Several factors have contributed to the growth of foreign tourism in the United States, such as

- the strength of foreign currencies against the dollar, making the United States a "better buy" for foreign tourists;
- the increasing affluence of many countries in East Asia and Western Europe, which has permitted citizens of those countries the luxury of foreign travel; and

---

<sup>2</sup>Foreign visitors are non-U.S. citizens who come to the United States for a temporary time period for the purpose of business and tourism or for other reasons.



-- the opening of borders and lifting of travel restrictions in the former Eastern Bloc countries, which has allowed their citizens greater freedom to travel.

Foreign tourism provides many economic benefits to the United States. According to USTTA, foreign visitors generated revenues of approximately \$43 billion in 1989 -- more than the U.S.' leading exports, including agricultural goods (\$37 billion); chemicals (\$32 billion); and motor vehicles/parts (\$25 billion). USTTA also reported that in 1989, foreign travelers to the United States directly supported an estimated 570,000 U.S. jobs and generated over \$4 billion in federal, state, and local tax revenues.

How foreign visitors are greeted and received at airports is important, because this is their first impression of the United States. Many American tourists return from travels in Europe with tales of airport facilities and services for foreign tourists that may be lacking at our own international airports, such as speedy transit through Immigration and Customs; convenient translation services; free maps and informational guides; readily available assistance in locating lodging and making reservations; and efficient, inexpensive ground transportation. Conversely, there have been reports of foreign tourists being "greeted" in the United States by long, slow-moving lines at Immigration and Customs; lengthy waits for baggage; unavailable translation services; problems in getting ground transportation; and scams by taxi

drivers charging exorbitant fares. To the extent that these reports are true, they make the United States a less attractive tourist destination.

At your request, we looked into the difficulties foreign tourists face in general, and specific conditions found at the largest U.S. international gateway airports, in particular. To accomplish this task, we met with officials representing various organizations concerned with visitor facilitation, and reviewed conditions at 13 of the largest U.S. international airports. (See app. I.)

I would now like to discuss the circumstances foreign visitors must deal with as they proceed from the first step of deciding to visit the United States to the point of departure from a U.S. airport and the actual start of their visits. This process includes visa acquisition, passing through the airport facilities, being processed through federal inspection, and using airport services.

#### THE DECISION TO COME TO THE UNITED STATES

Travel and tourism promotion is primarily a private sector undertaking. However, there is some limited federal government involvement, primarily by USTTA, which has a budget of \$14 million for fiscal year 1990. In addition, state governments have become strong promoters of tourism. According to the Travel Industry

Association of America, state tourism offices spent about \$280 million promoting domestic and international tourism in 1989, a considerable increase over the \$89 million they spent 10 years ago.

Obtaining a visa is often the first contact someone planning to visit this country has with the U.S. government, and generally it is not a problem for many visa applicants. However, this process can be time-consuming and tedious for citizens of some countries, where applicants may wait in line for several hours at the local U.S. embassy before receiving their visas.

#### ARRIVAL AND THE FEDERAL INSPECTION PROCESS

Once a potential foreign visitor has obtained a visa, he or she will encounter three further entities that preside over the process of entering the United States. These are: (1) the airport authorities, (2) the federal inspection services, and (3) the airlines. Although each of them has a different function or mission, all three share the desire to aid visitors' entrance into the United States. All three also recognize that this process is not carried out as quickly and efficiently as it could be. However, each apparently views the source of the problem differently.

-- Airport authorities believe that the source of the problem is that the airlines' scheduling causes "peaking"--the arrival of

many airplanes within a narrow time period--and that the airports and the federal inspection services are not able to adequately handle the processing of passengers at peak times.

-- The staff of the federal inspection services also believe that the source of the problem is the airlines' scheduling, and that the airport authorities do not provide adequate facilities for passengers, luggage, and the federal inspection process to handle peaking.

-- The airlines maintain that they are bound by the desires and needs of their customers, that peaking is simply a result of customer demand, and that the source of the problem is that airport authorities and the federal inspection services are unable or unwilling to adequately meet customers' demands.

A sharp increase in international travel combined with all of the above factors have caused congestion that taxes the airlines, the airports, and the federal inspection services. Of the airports we reviewed, all reported congestion problems--particularly during peak times--causing delays for international flights.

Peaking problems are the result of various factors. Arrival times at U.S. international airports are restricted by noise and pollution control regulations, as are departure times for U.S.-bound flights from many other countries. Passenger preference and



the need to meet connecting flights also dictate arrival times. Passenger preference for things such as destination and time of arrival is an important consideration, particularly in view of the amount of money foreign visitors spend getting here and during their visits.

In 1989, an estimated 23 million foreign visitors arrived in the United States by air. While there are over 400 primary airports in the United States, relatively few handle most international air traffic. The 13 airports we reviewed handled about 66 percent of all international air passenger arrivals in 1989.

#### Leaving the Plane and Entering the Airport

The presence of a federal inspection facility and the necessary federal inspection staff distinguishes international airports from domestic airports. Some international airports have inadequate holding capacity for foreign visitors awaiting clearance by the Immigration and Naturalization Service and Customs. In fact, 7 of the airports we visited do not even have a transit lounge, forcing airlines to hold passengers on the plane if there are any backups in the clearance process. This circumstance costs the airlines money, since it decreases the use of the plane and can make for irritated and frustrated passengers.

The Federal Inspection Clearance Process

Each of the four agencies constituting the federal inspection process has different responsibilities in clearing passengers. Typically, incoming passengers go through INS to have their travel papers reviewed and stamped, and pick up their luggage, which is then inspected by Customs. Passengers carrying plants or animals must go through an APHIS inspection, and passengers who appear to have a contagious disease or other illness may be subject to inspection under Public Health Service regulations.

INS inspects the travel documents of every traveler who arrives on an international flight, including foreign visitors and returning U.S. citizens. About 49 percent of people entering the country at the airports we reviewed were returning U.S. citizens. Previously, INS tried to speed up the inspection process by using the "citizens bypass system," under which it did not inspect the travel documents of returning U.S. citizens. However, based on a reexamination of the statute, INS determined it could no longer use the citizens bypass system. As a result, the INS' work load has increased, which, in turn, has added to its average processing time.

INS has been able to handle this increased work load, however, because it has had significant growth in staff since 1987. It has financed the added staff and overtime as a result of a user fee of

\$5 per passenger. This fee is charged on all international airline and oceanliner tickets except those of passengers from Mexico, Canada, and the Caribbean. Nevertheless, despite the growth in INS staff, airport managers consider INS staffing inadequate at a number of airports.

Passengers ordinarily pick up their luggage after clearing Immigration but, at some airports with inadequate facilities, they now must carry their baggage through Immigration. Further, late delivery of luggage, too few luggage handlers, and/or too few or too small luggage carousels can cause passenger delays in obtaining their luggage and proceeding to Customs.

Customs has the conflicting goals of (1) enforcing laws affecting what can be brought into this country and (2) facilitating the entry of foreign visitors and returning U.S. citizens. Despite the enormous increase in Customs' work load over the past few years, the number of Customs staff at international airports has remained relatively constant. While a second \$5 per passenger user fee is added to the cost of tickets to fund Customs services, Customs cannot directly access the fees to increase its staff, but it can be used to pay overtime.

To meet the increasing work load without a commensurate increase in staff, Customs has been implementing its Master Plan for the 1990s, under which it selectively inspects passengers. Unlike INS, which

must inspect all passengers, Customs physically inspects only passengers who meet a profile it has developed of people most likely to be carrying contraband or violating other laws. This screening allows about 90 percent of the passengers to spend little or no time in Customs. Customs officials have stated that the amount of contraband confiscated has not decreased since Customs began selectively inspecting passengers.

Federal inspection officials consider federal inspection facilities inadequate for efficient operations at nearly every airport we reviewed. Facilities at 12 of the 13 airports we reviewed were too small or too poorly configured for efficient Customs and/or Immigration operations, according to federal inspection officials.

Although the Congress has supported the International Civil Aviation Organization's recommended world-wide goal of 45 minutes from the time the plane lands to the time that all passengers are cleared through the government inspection process, this goal was not being met during peak times at many of the airports we reviewed. Processing time usually ranged from 1 to 2 hours at these airports during peak times.

Generally, neither the APHIS nor the Public Health Service cause delays in passenger processing. Relatively few passengers are subject to either APHIS or Public Health Service inspections.



SERVICES/LEAVING THE AIRPORT

The number and quality of services provided at the airport after the visitor clears the federal inspection process are important in making the visitor feel welcome and assisting the visitor in reaching his or her destination. Most of these services are performed by contractors or provided by the airport authority.

Signs directing visitors to the baggage claim area, into and out of the federal inspection area, and to airport services can facilitate the flow of passengers through the airport. However, signs are in English only, or English and international symbols at 3 of the airports in our review. Signs at some airports reflect a heavy concentration of particular foreign visitors. For example, at Honolulu International Airport, there are Japanese signs, since such a large proportion of Hawaii's foreign tourists are Japanese; there are signs in Spanish at Houston (Texas) International Airport to accommodate Houston's many Mexican visitors. Signs at 6 airports were in more than one foreign language. O'Hare International Airport is testing, in one of its international terminals, electronic signs that can be programmed to call up 7 different languages.

One of the major complaints about airport services is the lack of free baggage carts or the need to surrender the free baggage carts available in the federal inspection area upon exiting. Ten of the

airports we looked at provide baggage carts, usually for a \$1 charge, that can be used throughout the terminal, while the remaining 3 provide free baggage carts which must be surrendered upon leaving the federal inspection area. In the latter case, travelers usually have the option of hiring a skycap or paying (usually \$1) for a cart upon leaving the federal inspection area.

Twelve of the airports in our review offer some form of full-time translation services. One of the smaller airports hires part-time translators only during the peak foreign tourist season (summer). At some of the airports, translators are available only in the federal inspection area, while others provide translation services throughout the international terminal. Translation services may be provided in person, by phone, or by a computer terminal.

Translation services at the airports ranged from a capability for communicating in four or five languages to the combined capability of 17 languages, the latter provided by translators at Miami (Florida) International Airport. In addition, USTTA administers the Gateway Receptionist Program, which employs college students with foreign language skills as translators who assist both foreign visitors and the inspection services in the federal inspection process. The program is funded by USTTA and work study grants from the Department of Health and Human Services. Participants in the program are also given training in all aspects of airport

management. This program operates at 7 of the airports we reviewed.

All but one of the airports we reviewed have foreign tourist information booths, most of which provide maps, brochures on popular local attractions, and lodging, dining, and transportation information. At least 8 of the airports provide some type of information printed in one or more languages other than English. For example, JFK (New York) International Airport provides a guide to the airport in several languages, and Logan International Airport provides a map of Boston in four languages. In addition, bilingual or multilingual staff are available at many of the information booths to provide assistance and information.

Of the airports we visited, all provide lodging information for those who need it--often at the foreign tourist information booths--and some provide assistance in obtaining lodging. In some cases, lodging assistance consists of a hotel/motel phone board, a service that is paid for by the hotels and motels represented on the board--usually chain hotels and motels located near the airport. Unfortunately, these are not always the accommodations sought by tourists, who often prefer staying in the city or near tourist attractions. Logan International Airport in Boston has a hotel reservations booth, similar to those typically found at major European airports, staffed by bilingual or multilingual people who

make lodging recommendations for a wide range of budgets, and actually book the reservations as well.

Currency exchange services are available at all of the airports we looked at and generally operate when international flights arrive. Most of the currency exchange booths remain open until 30 minutes after the last international arrival of the day. However, currency exchange booths are not always conveniently located. For example, at one airport, the currency exchange booth is located on the departure, rather than the arrival, level of the terminal.

Ground transportation services are available at all of the airports we reviewed. Such services generally include buses, taxis, rental cars, airport shuttles to nearby hotels or other locations and, in some cases, rapid transit. At Chicago's O'Hare International Airport, phone lines and a display board (in English only) provide transportation information, while Newark International Airport provides a pamphlet warning visitors in eight languages to be aware of unauthorized ground transportation.

#### WHAT IS BEING DONE TO SOLVE THE PROBLEMS

At all of the 13 airports we looked at, renovations or new facilities are either planned, under construction, or were recently completed, to increase capacity and allow for more efficient federal inspection processing. Expansion projects may include

plans for larger or new terminals with more gates and newly designed, larger federal inspection areas. Nearly every expansion project includes plans to increase the number of luggage carrousel in the federal inspection area.

In addition, the following projects are underway:

- Orlando (Florida) International Airport is providing video tapes to airlines to show in flight, which describe in five languages the federal inspection process at the airport.
- At O'Hare in Chicago, a computerized translation service is being tested. Computer screens give information on lodging, transportation, and so forth, in all major languages.
- The Department of Transportation is considering expanding the "open skies" policy, whereby the United States negotiates an agreement with another country allowing an unlimited number of flights from the country to land at any U.S. international airport. This policy reduces congestion at the most heavily used international airports by encouraging the rerouting of incoming international traffic to lesser-used airports and new hubs. However, INS and Customs are concerned about their ability to meet staffing needs at airports that would receive more international traffic under an expanded open skies policy.



-- The U.S. Department of State is testing a visa waiver program. This 3-year pilot program allows passengers from eight designated countries to simply fill out an information form at the airport for INS, instead of having to obtain a visa abroad. Countries with high rates of traffic to the United States and a low risk of immigration violations, based on historical experience, were selected for visa waivers. Unlike normal visa holders, however, applicants under the visa waiver program give up their right to appeal the decision if they are denied entry to the United States. This can save INS legal costs. The State Department would like to see this program expanded to include 30 to 35 qualifying countries. Although the visa waiver program facilitates entry for foreign visitors participating in the program and reduces the State Department's work load, it does not reduce the INS' work load or processing time, according to some INS and airport officials, since it still requires the inspection of a travel document (the visa waiver form).

-- Customs and Immigration are using preclearance and preinspection programs to reduce their costs and processing work load at major airports and to facilitate the entry of foreign tourists. Preclearance is the full inspection of passengers and their baggage at foreign ports by U.S. federal inspectors. Currently, there are nine preclearance ports in Canada, Bermuda, and the Bahamas. Generally, precleared passengers are eligible for entry into the United

States without undergoing any other checks by federal inspectors at U.S. ports of entry and may even arrive at domestic airports. Preinspection is a partial (INS only) inspection conducted at some Bahamian airports and at Shannon Airport in Ireland. As of this summer, INS is also conducting a pilot preinspection program at Heathrow and Gatwick airports in the United Kingdom.

INS strongly supports preclearance and preinspection because of the time and cost savings. If an individual is found inadmissible in the originating country rather than in the United States, the airline refuses to allow the individual to board the plane, and INS is spared detention, court, and deportation costs that would be incurred if the individual were denied entry at a U.S. port.

- Increased automation, where used, has decreased processing time. For example, increased use of machine-readable travel documents and automated baggage inspections has speeded processing at some airports. However, other airports do not have the necessary equipment, such as machine readers, to make use of all the technological innovations.

PRELIMINARY OBSERVATIONS

Although the airport authorities and the federal inspection services might prefer more evenly spaced flights to avoid peaking and would like other options to redistribute their work loads, the reality is that prevailing airline schedules reflect travelers' needs based on desirable arrival times, connecting flights, and other considerations. The challenge to the federal inspection services and airport authorities is to find a way to do the best and most expeditious job they can, operating within the parameters determined by travelers' needs.

The entities concerned with the facilitation of foreign visitors are making great efforts to solve existing problems. However, adequate facilities are critical to the issue of facilitation. For example, if there are not enough luggage carrousel, everyone loses--passengers, the airlines, airports, and the federal inspection services. Based on our work to date, we offer the following preliminary observations on possible actions to take to better facilitate foreign tourism:

- Although USTTA is not responsible for providing adequate airport services and facilities for foreign visitors, perhaps it could be active in designing a model plan for receiving foreign travelers. This plan could give guidance to airport operators who want to provide the best possible services and

facilities to foreign visitors who pass through their gates. Such a model could incorporate some of the more innovative projects underway at various airports, such as machine-readable document capability, computerized translators, lodging information and reservations booths, and multilingual video tapes for airlines.

- USTTA could also consider expanding the Gateway Receptionist Program, which benefits (1) foreign tourists who speak little or no English, (2) federal inspectors, and (3) college students who are able to make good use of their foreign language skills. Funds necessary to expand the program could be provided on a matching funds basis by USTTA and participating airport authorities, as is done now at most participating airports.
- To more efficiently use its resources, INS could consider seeking appropriate legal authority to reinstate the use of the U.S. citizens bypass system. This program would substantially decrease INS' inspection work load and speed the flow of passengers through the clearance process, since about 49 percent of all passengers on international flights that landed in the airports we reviewed are returning U.S. citizens.
- Exemptions from user fees for travelers from Canada, Mexico and the Caribbean could be removed to give INS and Customs more funds to improve their processing capabilities. The foreign

visitors who pay the user fees are certainly entitled to receive adequate services for their money.

- - - - -

Mr. Chairman and Members of the Subcommittee, this completes my statement. I will be happy to answer any questions you may have.

#### APPENDIX I

#### APPENDIX I

The following are the 13 airports included in our review, and the number of foreign visitors that entered the U.S. at each in 1989.

|                                             |            |
|---------------------------------------------|------------|
| 1. John F. Kennedy International Airport    | 4,942,400  |
| 2. Miami International Airport              | 2,610,400  |
| 3. Los Angeles International Airport        | 2,013,200  |
| 4. Honolulu International Airport           | 1,415,900  |
| 5. San Francisco International Airport      | 805,800    |
| 6. O'Hare International Airport (Chicago)   | 632,600    |
| 7. Orlando International Airport            | 509,000    |
| 8. Houston Intercontinental Airport         | 505,600    |
| 9. Logan International Airport (Boston)     | 474,300    |
| 10. Dallas/Ft. Worth International Airport  | 340,400    |
| 11. Newark International Airport            | 299,100    |
| 12. Atlanta International Airport           | 274,600    |
| 13. Seattle-Tacoma International Airport    | 274,600    |
| <hr/>                                       |            |
| Total foreign visitors at 13 airports       | 15,097,900 |
| Total foreign visitors at all U.S. airports | 22,724,900 |



Senator ROCKEFELLER. That is extremely helpful.

You know, you are talking about the legal authority. That does occur. You have to figure that 99.9 percent of all international arrivals are legally attempting to gain entry. Most people ought to be able to just walk right through. You say that has been tried, they do not have the legal authority, so Congress could give the legal authority; and that might be very nice and easy. Then the question is how do you determine or is there a way of determining who are the ones in fact you ought to be looking out for even if they are Americans.

Mr. MENDELOWITZ. The dramatic increase in the number of travelers and the very tight restriction on available inspection services have really forced the inspection services to be creative. The Customs Service, for example, has instituted a program under its master plan for the 1990s called selectivity in which they develop highly refined profiles of travelers who they think are potentially bad actors and require some inspection.

As a result, they sort of look over the crowd or look over the arriving airlines, depending upon where they are coming from, make judgments about who needs inspection and who does not, and those who do not need inspection just go right through. As a result, 90 percent of the passengers now spend almost no time at all in Customs.

So this has been, I think, successful, and I think that that same kind of—

Senator ROCKEFELLER. That is successful?

Mr. MENDELOWITZ. Yes.

Senator ROCKEFELLER. That is the judgment and the practiced eye of the inspectors?

Mr. MENDELOWITZ. That is right. It is not just the judgment and the practiced eye. It is the judgment and the practiced eye of the inspector guided by a highly refined profile of what they are looking for. This requires a good bit of analysis, training and preparation, but it is implemented in the airports by the inspectors.

Senator ROCKEFELLER. Hawaii has a large Asian population. Of all the places in the world where one might be able to get people who are at least bilingual in Japanese and Korean or, in fact, trilingual since many Koreans speak Japanese, why is it so impossible in Honolulu International to get an additional 24 or 36 people who in fact are among the existing persons who are bilingual or trilingual? Why is that so difficult?

Mr. MENDELOWITZ. Well, first, I am not sure it is, that difficult if the Customs Service increased the allocations.

Senator ROCKEFELLER. What if they do not? What if they take the people they have? So you are monolingual or whatever the word is and so you go do your work in Atlanta, Georgia; and you over here speak this language, you are coming out here and we are going to train you to do this language. Are there personnel problems? What if they had to get rid of some people in order to get in some people who were bilingual or trilingual?

Mr. MENDELOWITZ. Well, the first thing is, to be an inspector for INS or Customs you need a college degree and you have to have a second language, or it is very strongly preferred. So the people who Customs and INS are hiring are basically bilingual people to begin

with. I have to say that I am amazed at their ability to attract people with those qualifications because the grade structure for the inspection service is extremely low. The entry level for an inspector is a GS-5.

Senator ROCKEFELLER. The pay being?

Mr. MENDELOWITZ. Less than \$20,000. The top of the career ladder for an inspector who is not a supervisor is only GS-9, which pays sort of in the low- to mid-20s. So one of the results of this low grade structure is a fair amount of turnover. So my guess is if they have the available slots, they should be able to find people with language capability.

Generally speaking, the Honolulu Airport, for example, is very well equipped to handle Japanese-speaking visitors because, for example, all of their signs are in English and Japanese so that the arriving tourists are able to pick their way through the stations across the airport terminal.

Senator ROCKEFELLER. On that point, is your report going to talk airport by airport about signage? I go to Japan every year, and I remember up until last year—I believe it was last year—I went through a line called aliens. I was not really offended, but I did notice it every time. All of a sudden it became foreign visitor, and I felt five years younger.

We do not do that in this country, much less do it in other folks' languages. Is your point going to address that? Is that a significant problem, just the simple discourtesy of not recognizing the languages of great numbers of foreign visitors?

Mr. MENDELOWITZ. It varies from airport to airport. For example, we looked at 13 airports. At three of them, the signs were only available in English and these international symbols. At six there was more than one foreign language available. At a number of them where there was a large number of tourists from a particular destination, the language of those tourists was available on all the signs. For example, Houston had all the signs readily available in Spanish, and Honolulu had all the signs readily available in Japanese. Seattle, which is a port of entry for Japanese visitors, has a lot in Japanese.

Senator ROCKEFELLER. What about JFK? What about LaGuardia? What about Dulles?

Ms. WOOD. Dulles has English and international symbols in the main terminal, and signs in several languages in the federal inspection area.

Mr. MENDELOWITZ. Dulles is not one of the 13 airports in our study, and the reason is that when we started this job we went out to Dulles to sort of learn what the process was and what we should be looking for, and we did not want to bias the results by then making a second pass through Dulles.

In O'Hare, for example, in one of their international arrival terminals they have an electronic bulletin board that can be programmed to convey information in seven different languages.

So there are things out there that are being done. It is not——

Senator ROCKEFELLER. For waiting lines and placed high enough so that lots of people can see them?

Mr. MENDELOWITZ. Yes.

Senator ROCKEFELLER. Why in heaven's name can that not be done?

Mr. MENDELOWITZ. That goes back to my proposal about having USTTA develop a model of what a really good international arrival facility would look like; glean all this information from the experiments that are working in different places like multilingual electronic bulletin boards at O'Hare and multilingual computers and guest facilities and signage and things like that and send that out to the airports so they have something to work toward in terms of a goal.

Senator ROCKEFELLER. Senator Burns, I invited you to interrupt at any time.

Senator BURNS. I was just going to say, I made it all the way across West Virginia without speaking the language there. You know, on some of these facilities and the arrival times, I would have to agree with the good Senator from West Virginia that arrival times do mean a lot. Then we get into a position of building the church for the Easter crowd. I guess we want to make the maximum use of the space that we can afford to build. It sounds like they try to use it all in four hours when, really, you try to build one that would handle that many people maybe spread over a 12-hour day. They do it in about four.

I want to relate to you what I look for. I have been the tour director on nine international tours. We have taken farmers across Europe, to the South Pacific, on cruise lines and this type of thing, so I know of what you speak. Sometimes we as tour directors go to sleep, too, as there are ways to facilitate getting your tour through the maze if you are thinking just a little bit.

Some people have been very critical of our rules when we arrive in this country as far as the agricultural end of things where we have to go through an ag inspection and, of course, Customs and this type of thing. I think we are too lax sometimes on our agricultural customs. I do not mind standing in line, especially if I have been in contact with animals or if we have been touring some farms and some stations in foreign countries, when I come back into this country because you sure do not want to impact a vital industry here by bringing in foot-and-mouth or whatever we could have contacted.

I agree with you on the bilingual point of our inspectors both at Customs and Immigration. It is a necessary thing. We are also going out and advertising for people to work. If I do not speak Spanish or something like that and they do not hire me, I might just sue them. We keep tossing around a civil rights bill on this thing. We seem like we make it tougher if we narrow it down and then expect those people to work for nothing. So I would agree with that.

I guess what I look at more than anything else is the attitude of the people when they arrive; in other words, the attitude of those in Immigration. Do they have a smile on their face, or are they mad at the world? When you were looking at the situation, what was the attitude of those people?

Mr. MENDELOWITZ. We did not find that there was an attitude problem. Basically, the impression we received is that the Federal inspection services' staff were actually doing quite an admirable

job in what we would call adverse circumstances. It is very hard to keep your cool and your composure when you have thousands of people milling around, everybody pushing and shoving, people coming off 10- and 14-hour flights. They are tired, kids are screaming, and the baggage is slow coming off the carousel.

I have to say one of the things I think we should put on the record is that usually if it takes a long time in the airport and people are unhappy and disgruntled, they usually blame it on the Federal inspection services. The truth is, it is not necessarily their fault. It can be the fault of the fact that there are not enough Federal inspection services staff and, therefore, it takes a long time.

But, if you fly into an airport like Dulles, for example, there is inadequate baggage handling capacity. If you fly into an airport that does not have a transit lounge, they are going to keep you sitting on the airplane for an hour waiting until the passenger processing area clears out. In the end you will go through, but you have had to stand in line for a Customs inspector and an INS inspector and you will grumble about that and blame it on them; but it just as often can be the inadequate facilities at the airport.

Senator BURNS. How many times did you find from where you claimed your baggage and from there to where the inspector was it was unhandy?

Mr. MENDELOWITZ. In most of the airports you go to INS first, then you claim your baggage, then you go to Customs. I think at three of the airports roughly, give or take one or two, you have to get your luggage before you go to INS, you have to carry it through INS, and then you have to go on to Customs, which makes going through INS that much more difficult because you are dragging all your bags with you.

Then at most of the airports you can rent a luggage cart so that when you pick up your luggage you put it on the luggage cart and you can wheel it to your final destination, which is the curb. At three of the airports and at Dulles, which would make it a fourth if you count Dulles, you get a luggage cart but you can only use it in the Federal inspection area. At the end of the Federal inspection area there is a gate, and there you have to offload everything, similar to loading your car at the grocery store, and either hire a sky cap to carry your bags or go find a luggage cart that you can use elsewhere in the terminal, rent one——

Senator ROCKEFELLER. If you have a quarter in your pocket.

Mr. MENDELOWITZ. Or a dollar.

Senator BURNS. Did you find any places where those carts were compliments of the facility?

Mr. MENDELOWITZ. A couple. I have to say that we asked at Dulles when we were out there to do our preliminary work why it was that the carts stopped at the end of the Federal inspection service area. I asked if it was because of some contract with the sky caps so they can make a living. And the answer was no. They said that if they let the carts out of the Federal inspection service they had no one to bring them back.

So it is these types of situations which I think are silly. They are unnecessarily difficult for travelers to cope with. Little things like charging a dollar for a luggage carrier may make sense because then you can hire someone to bring them back so the carts will be



there. If you are getting off a plane, however, and you have no American currency, in some airports the currency exchange area is on the departure levels so you are out of luck. This is hard to do.

For example, the foreign exchange office is there for every arrival, but if they close 30 minutes after the last arrival and it takes you more than 30 minutes to get out of Customs and INS and claim your baggage—and I guarantee it will take more than 30 minutes—you are out of luck. Where are you going to change your money?

I do a fair amount of traveling in my job for the General Accounting Office, and I never give any thought to acquiring foreign currency before the trip because I know no matter where I go, no matter what time I arrive—and I arrive at all hours of the day and night—I will be able to walk into the terminal and I will always be able to change my money. The rate may not always be the best, but I will be able to change my money, I will be able to get maps, and I will be able to get ground transportation without a hassle. That is not necessarily the situation at the U.S. airports.

Now we are supposed to be unbiased when we do our work, and we are unbiased, but once you have traveled and you have personally dealt with these things, you cannot help but bring your own personal experience into it.

Senator BURNS. I was just wondering, you know, because I have been through a hundred of them, and all of them are just a little bit different. It sort of throws you off a little bit.

Those are some of the things that I think basically we are talking about here as to how well we facilitate. I would take the challenge that USTTA might design and start working with airports at the construction stage, especially with the construction that is going on now, on how to really model a reception for foreign visitors and, of course, everybody.

Mr. MENDELOWITZ. USTTA does have facilities guidelines in terms of the physical structure. What I was proposing was to go beyond that to a model with a full range of services.

Senator BURNS. I think that is good.

I know a place where you can push your groceries all the way to your car. We do not have those silly little fences in Montana like we find around here. Of course, we do not have traffic hours, either. We have traffic minutes.

Senator ROCKEFELLER. Just two final questions.

DOT does have the Aviation Facilitation Committee; right? USTTA through its Tourism Policy Council is on that?

You would then recommend that they take the lead or play a much heavier role in terms of working with that committee?

Mr. MENDELOWITZ. I think that that makes good sense.

Senator ROCKEFELLER. That is a yes? I am sorry, I missed it.

Secondly, this may sound silly and I even hesitate to bring it up in front of Conrad because he will be very critical, but if these people will not all work together, should there be some kind of legislation which would direct them to work together?

I was going to use the word "mandate," but that is not a good word these days.

Is that kind of thing necessary?



Mr. MENDELOWITZ. That is really a good point, because I think historically agencies that are separate and distinct often do not work well together because each has its own vested interest and each has its own reward structure. For an INS inspector to help out a Customs inspector gains him nothing in the INS hierarchy.

We were actually surprised, however, at the extent to which there is cooperation between INS and Customs in foreign tourist arrival at the airports. For example, they set up a joint program called IBIS, the Interagency Border Inspection System, in which both Customs and INS have pooled their watch lists as to who they are looking out for. They have cut down on the amount of time that an inspector in some areas from Customs has to deal with the individual arriving because, in effect, the INS inspector does the initial screening for both INS and Customs.

So there have been, I think, some good examples of cooperation between the agencies. However, I think mandating cooperation often does not work, it is amazing how bureaucracy can frustrate mandates. I think we have a situation at the airports where both of the agencies, because of a shortage in personnel and limited resources, have been struggling to find ways to make best use of the available resources they have. They have, I think, been doing some good things in terms of working together to reduce the amount of time that they spend with the visitors and make more efficient use of their joint resources.

Senator ROCKEFELLER. Okay. Senator Burns and I thank you all very much.

Senator BURNS. Senator, I have to go to the floor. Would you excuse me, please?

Senator ROCKEFELLER. Yes, sir.

Senator BURNS. Thank you, Allan, for this. I appreciate your information and your time today. Thank you very much.

Senator ROCKEFELLER. The third panel, Rick Norton, who is Director of Facilitation, the Air Transport Association, James Gordon, Airport Operators Council International, Ned Book, in whom I take special pride because he is on our council, from the Tourism Industry Association, Mark Dunkerley of the Commercial and Government Affairs of British Airways, and Alice Herman, Assistant Director, Aviation Department, Port Authority of New York-New Jersey.

Welcome, all of you, and Ned, we might start with you, if you do not mind.

#### STATEMENT OF EDWARD BOOK, VICE CHAIRMAN, TRAVEL AND TOURISM GOVERNMENT AFFAIRS COUNCIL

Mr. BOOK. I am delighted to be here with you today, and I applaud you for your endurance, your patience, and your attention to what we have all heard this afternoon. You are doing a fine job for the industry and we all appreciate it very much. As you know, I am President of the Travel Industry Association of America, and I also serve as Vice-chairman of the Travel and Tourism Government Affairs Council, and it is on behalf of that body that I appear before you today.

As you have heard from other witnesses today, the range and the complexity of the specific problems travelers encounter at U.S. gateways is enormous. But, rather than focus on that, I would like to focus on the tremendous growth of international tourism trade, and the policy-related barriers that impede its expansion.

First, I think it is fair to say that most passengers perceive our use of the word facilitation as something of an oxymoron. The dictionary definition of "facilitate" is "to make easier". That term, as it is used within this context, is at best an objective and one that remains exasperatingly unfulfilled.

Since 1988, the travelers who have journeyed to this country on vacation or to do business have represented America's most lucrative export. Largely unaided, travel and tourism has become an unparalleled and burgeoning boon to the U.S. economy. For that we are grateful. But we are even more concerned that our good fortune, both as an industry and as a nation, cannot last if we are cavalier about our success. And cavalier in my view, and more importantly in the view of our visitors, is an excellent description of our national policy toward America's incoming guests and the \$43 billion they bring to spend here.

Mr. Chairman, it has been my privilege to have served as part of this industry for 39 years. For most of that time, my colleagues and I have principally been engaged in seeking ways to get the public to line up at the door. But in all humility, letting them in should be significantly less problematic than it is today.

Make no mistake about it, I am both cognizant and highly appreciative of the efforts of my government to enforce the law and protect my health and safety, but it concerns me greatly that while 99.9 percent of all international arrivals are legally attempting to gain entry, Federal policy is overwhelmingly lop-sided toward criminal apprehension. While everyone agrees that the security of the United States ought not be unduly compromised, there is little logic in preserving a status quo that provokes justifiable animosity in multiple millions of law abiding people whose only crime may be conspicuous consumption.

Neither is this problem likely to abate on its own. Indeed, it is certain to grow worse. The United States Travel and Tourism Administration estimates that by the year 2000, international arrivals will jump to nearly 70 million people, representing an increase of almost 50 percent.

Inspection agencies are, in fact, aware of this dilemma; and lacking the resources to manage the exploding flood of inbound travel, they have quite logically sought to stem it. In the last year alone there have been instances where Customs considered denying landing rights to several carriers subsequent to the State Department's successful negotiation of the new service.

While we believe that for effective management purposes, the inspection agencies should be notified of pending air service agreements, they should not play a role in the development of U.S. negotiating positions.

While the business of law enforcement is often at odds with the goals of facilitation, and as such, with trade and economic policy, which should and does encourage the expansion of tourism trade, both objectives are legitimate and must be affectively balanced.

In this regard, I would note that we do not expect the Federal inspection agencies to be magicians, but passengers find it particularly galling to experience extraordinary delays and congestion when holding a ticket upon which is recorded their purchase of \$10 worth of inspection "service."

Legislation is now pending in a conference committee which would utilize the \$30 million surplus in the Customs fee account for new inspectors. We support this proposal, and we hope that you, Mr. Chairman, and your colleagues will do everything possible to secure its passage. This initiative is long overdue and will help to begin to address the problem.

From a tourism standpoint, poor facilitation is a significant disincentive to trading tourism with the United States. While the impact is hard to measure, the fact that there has been damage to our competitiveness as an international destination is not in doubt.

While we are not blind to the exigencies imposed by the Federal budget deficit, we must recognize that more funds are needed desperately. We stand ready to help you explore all funding options and potential solutions. In the meantime, we offer some additional recommendations.

First, visa waiver should be made permanent and expanded to all eligible countries as soon as it is feasible to do so. We also support the expansion of pre-inspection and pre-clearance. Although consideration must obviously be given to enforcement risks, in terms of setting pre-clearance policy, we would again urge that equal time be given to the facilitation of tourism.

More attention should also be given to the personnel policy of the inspection services. We believe that additional training and perhaps employee incentives could be used to improve the reception of visitors, and therefore their image of the United States as a courteous, helpful and hospitable nation.

Senator ROCKEFELLER. What do you mean by employee incentives? That interests me.

Mr. BOOK. There could be any kind of incentive program established. Perhaps a rating system where cards would be given to the incoming people, and they would rate the service that they receive. If an inspector received a positive rating there may be an incentive payment made in cash or in some other form, extra time off or whatever it might be. There could be any number of personnel type incentives created to compensate the people for facilitation improvement without in any way harming their position or enforcement responsibilities.

But, not all the facilitation process resides with the inspection services. Much remains to be done in airports themselves. Multilingual information and signage is limited, as we have heard today. Substantial progress could be made to improve the experience of international visitors by explaining, to the extent possible, what they will encounter at the end of the line, what ground transportation is available, what fees and taxes may be required, and where currency may be exchanged.

Also advantageous would be the provision of a brief information on the destination itself. Many countries, in fact, provide such information, which serves the dual purpose of familiarizing the passenger with a destination in a preliminary way, and giving him or

her something meaningful to do while enduring the wait; vis-a-vis, television monitors around the facility that would share this information with the people so they are not just standing there. They are learning something while they are waiting. It would make it, again, feel a little bit more warm and user friendly. Moreover, it helps reassure the traveler that despite appearances, it is our privilege to receive him and that his visit is not an imposition on the United States or its people.

International tourism and its impact on our economy in trade balance is too important for the United States to become increasingly perceived as the Marie Antoinette of international tourist destinations.

Mr. Chairman, we again thank you for what you are doing for our industry, and I would be pleased to try to answer any questions you may have.

[The statement follows:]

STATEMENT OF EDWARD BOOK, VICE CHAIRMAN, TRAVEL AND TOURISM GOVERNMENT AFFAIRS  
COUNCIL AND PRESIDENT, TRAVEL INDUSTRY ASSOCIATION OF AMERICA

Good afternoon, Mr. Chairman and members of the Subcommittee. Before I begin I would like to thank you and your colleagues for your attention to the importance of passenger facilitation and closely associated implications for the expansion of inbound international tourism.

My name is Edward R. Book and I am President of the Travel Industry Association of America (TIA), the national trade association which represents the whole of the nation's travel industry. In addition, I also serve on several advisory boards, including the U.S. Congressional Travel and Tourism Caucus Advisory Board and the Travel and Tourism Industry Advisory Council to the Senate Commerce Committee. I also serve as Vice Chairman of the Travel and Tourism Government Affairs Council, an affiliate of TIA. The Council is a coalition of 33 national travel and tourism organizations, including key industry leaders from transportation, accommodations, food service, travel agencies, tour sales, attractions and recreation, as well as state and local travel and tourism officials. It is on behalf of the Government Affairs Council that I appear before you today.

Mr. Chairman, other witnesses you will hear from today will address the range and complexity of the specific problems travelers encounter at U.S. gateways. Instead, I would like to focus on the tremendous growth of international tourism trade and the policy-related barriers that impede its expansion.

First, I think that it is fair to say that most passengers perceive our use of the word "facilitation" as something of an oxymoron. The dictionary definition of the word "facilitate" is



"to make easier." That term, as it is used within this context, as at best an objective, and one that remains exasperatingly unfulfilled. While we applaud the hard-working and dedicated men and women of our Federal Inspection Services (FIS), and their highly responsive federal management team, it is time to recognize that they are being asked to do a job which, with present resources, simply cannot be done.

Since 1988, the travelers who have journeyed to this country on vacation or to do business have represented America's most lucrative export. Seemingly incomprehensible to many, travel and tourism is an export product that is consumed right here on American soil. Moreover, travelers' expenditures have given the U.S. something that is becoming increasingly rare in other sectors of the economy: a trade surplus. In 1989, international travelers spent \$1.2 billion more in the U.S. than Americans spent abroad. The foreign currency that is used by international visitors to purchase U.S. goods and services also provides employment for over one-half million Americans. The tax revenues derived from their transactions bring nearly \$2 billion to the federal treasury and over \$1.6 billion to state and local governments.

Largely unaided, travel and tourism has become an unparalleled and burgeoning boon to the U.S. economy. For that we are grateful, but are even more concerned that our good fortune, both as an industry and as a nation, cannot last if we are cavalier about our success.

And cavalier, in my view, and more importantly in the view of our visitors, is an excellent description of our national policy toward America's incoming guests, and the \$43 billion they bring to spend here.

Mr. Chairman, it has been my privilege to have enjoyed a 39 year career in the hospitality industry (so far). For most of that time, my colleagues and I have principally been engaged in seeking ways to get the public to "line up at the door." But in all humility, letting them in should be significantly less problematic.

Make no mistake about it: I am both cognizant and highly appreciative of the efforts of my government to enforce the law and protect my health and safety. But it concerns me greatly that while 99.9% of all international arrivals are legally attempting to gain entry, federal policy is overwhelmingly lopsided toward criminal apprehension. While everyone agrees that the security of the United States ought not be unduly compromised, there is little logic in preserving a status quo that provokes justifiable animosity in multiple millions of law-abiding people whose only crime may be conspicuous consumption.

Neither is this problem likely to abate on its own. Indeed, it is certain to grow worse. The United States Travel and Tourism Administration (USTTA) estimates that by the year 2000, international arrivals will jump to nearly 70 million, representing an increase of almost 50%. With the advent of the European Community and attendant reduction of barriers to

tourism, as well as the emergence of the new democracies of Eastern Europe, tourism's growth potential could ultimately prove to be more dramatic than it is even possible to predict. Like it or not, facilitation policy, or the lack thereof, will have an increasing impact on U.S. trade and economic policy as the century ends and a new one begins.

The inspection agencies are in fact aware of this dilemma, and lacking the resources to manage the exploding flow of inbound travel, they have quite logically sought to stem it. In the last year alone, there have been instances where Customs considered denying landing rights to several carriers, subsequent to the State Department's successful negotiation of the new service. Lack of resources has also prompted Customs to respond to the inauguration of new routes by shifting personnel from existing gateways to attempt to cope with the new service. Customs therefore finds itself in the uncomfortable and inappropriate position of, on a de facto basis, developing and implementing U.S. trade, tourism and transportation policy. While we believe that, for effective management purposes, the inspection agencies should be notified of pending air service agreements, they should not play a role in the development of U.S. negotiating positions. While the business of law enforcement is often at odds with the goals of facilitation, and as such with trade and economic policy which should and does encourage the expansion of tourism trade, both objectives are legitimate and must be effectively balanced.

In this regard, I would note that we do not expect the

federal inspection agencies to be magicians. Clearly, the principal problem is the severe lack of adequate and flexible staffing, along with the necessary modernization, such as machine readable technology, to ease their burden. But passengers find it particularly galling to experience extraordinary delays and congestion when holding a ticket upon which is recorded their purchase of \$10 worth of inspection "service." The \$5 Customs fee alone will generate approximately \$115 million in revenues in 1990, but because of the Act under which it was mandated, these monies can be used only for inspection overtime and excess costs of preclearance. Legislation is now pending in a conference committee which would utilize the \$30 million surplus in the Customs Fee Account for new inspectors. We support this proposal, and we hope that you Mr. Chairman, and your colleagues will do everything possible to secure its passage. This initiative is long overdue, and will help begin to address the problem.

Nonetheless, we are a long way from achieving the International Civil Aviation Organization's clearance standard of 45 minutes. The Immigration and Naturalization Service (INS) alone assumes a one-hour inspection limit and the plain truth is that many passengers wait much longer than that to see even one inspector. This is not the case in most other countries. From a tourism standpoint, poor facilitation is a significant disincentive to trading tourism with the United States. While the impact is hard to measure, the fact that there has been

damage to our competitiveness as an international destination, is not in doubt.

While we are not blind to the exigencies imposed by the federal budget deficit, we must recognize that more funds are needed desperately. We stand ready to help you explore all funding options and potential solutions. In the meantime, we offer some additional recommendations.

First, visa waiver should be made permanent and expanded to all eligible countries as soon as it is feasible to do so. By all accounts, the program has worked demonstrably well within the objective of increasing inbound international tourism from the eight eligible countries. Negligible abuse has likewise been reported. There is, however, evidence that the entry procedure for visa waiver passengers could be streamlined, in keeping with the program's facilitation objective.

We also support the expansion of preinspection and preclearance. Although consideration must obviously be given to enforcement risks, in terms of setting preclearance policy, we would again urge that "equal time" be given to the facilitation of tourism.

More attention should also be given to the personnel policies of the inspection services. We believe that additional training and perhaps employee incentives could be used to improve the reception of visitors, and therefore their image of the United States as a courteous, helpful and hospitable nation.

But not all of the facilitation process resides with the



inspection services. Much remains to be done in airports themselves. Multi-lingual information and signage is limited. Substantial progress could be made to improve the experience of international visitors by explaining, to the extent possible, what they will encounter at the end of the line; what ground transportation is available; what fees and taxes may be required and where currency may be exchanged. Also advantageous would be the provision of brief information on the destination itself. Many countries in fact provide such information, which serves the dual purpose of familiarizing the passenger with the destination in a preliminary way, and giving him or her something meaningful to do while enduring the wait. Moreover it helps to reassure the traveler that despite appearances, it is our privilege to receive him, and that his visit is not an imposition on the United States or its people.

International tourism, and its impact on our economy and trade balance, is too important for the United States to become increasingly perceived as the Marie Antoinette of international tourist destinations. Thank you Mr. Chairman, and your subcommittee colleagues, not only for your attention to this matter, but for your leadership on all of the issues which concern America's largest export. I will be happy now to answer any questions you may have.

Senator ROCKEFELLER. I am so staggered by your last sentence, that may go down in the all-time book of quotes.

Mr. Norton, we would be delighted to hear from you.

**STATEMENT OF RICHARD NORTON, DIRECTOR OF FACILITATION,  
AIR TRANSPORT ASSOCIATION OF AMERICA**

Mr. NORTON. Thank you, Mr. Chairman. It is a bit of a surprising day for me. I spent about two decades in the Administration and five of them working at the top levels of INS on many of these problems, and I was never involved in an issue that had consensus, much less agreement on how to solve it.

I think with the industry people here today, we do have that consensus. I am not attempting to speak for my colleagues. Certainly they have their own recommendations. But it is surprising how uniformly we see this solution. Our members at ATA—Air Transport Association—carry about 95 percent of all the air traffic within the United States, certainly a significant volume of the overseas traffic as well. We predict even higher growth in the tourism industry.

Senator ROCKEFELLER. How does the percentage break out? What percent within the United States and what percentage internationally?

Mr. NORTON. The percentage is quite low on an international scale. There are only about 30 million arrivals, internationally, per year. About 1 million people travel domestically per day in the United States.

As I was saying, we predict an even higher growth rate in tourism than GAO. They talk about a 75 percent increase in the next decade. We think it could easily double well before that. It has grown 60 percent just in the past three years, and if the growth continues in the visa-waiver countries, for example, that we just have a similar rate of tourism from countries such as France and Germany that we currently get from the U.K., there would be a 15 percent growth right there. So there is just enormous potential for us to get the advantage of the additional tourist dollars, if we can only get our act together in the international airports.

I will not go through all the reasons why we predict that growth. They are all contained in the written testimony. But I would like to go through some of the reasons why there may be limitations to this growth, and some of the solutions that we recommend.

I would like to first mention something about peaking from the airlines' standpoint. There has been some concern about this phenomenon. But if I can get an example of one of our members who does fly very heavily in that Norita to Honolulu segment, United Airlines, they fly an average of about five flights a day, and they have an 11-hour spread of departure times out of Norita.

If the passenger does not get on the airplane by 11:00 a.m. in the morning, they are getting in around midnight, Hawaii-time. So there is a combination of factors here: not only the desire of the tourist to get in at some hour other than the middle of the night, but also departure control slots due to air traffic control problems at the departure point, at the arrival point, and certainly the connecting traffic is a factor, so it is very difficult to regulate that

aspect of it, and the airlines are doing a fair job of spreading out the traffic at these peak locations.

Senator ROCKEFELLER. To what extent, Mr. Norton? You are saying they are doing a fair job. I am not challenging that, but how are they doing that?

Mr. NORTON. Well, as an example, United has—a 10:00 a.m. departure is their first departure of the day out of Norita, and they go almost around the clock, up until the point where they cannot leave out of that airport any more because of the curfew. The last flight is at 9:00 p.m. in the evening, and that gets in extremely early in the morning, Hawaii-time, but it is a very popular flight.

Nevertheless, to avoid the peaking, and of course because they only have a limited number of aircraft available, they do spread those departures out over quite a long time. It is not as though they are all leaving between 6:00 p.m. and 10:00 p.m. Japanese time in order to come in and make Honolulu's life miserable.

There really is quite a spread around the clock. It is just that a variety of airlines all compete with one another to get in at that preferable early morning arrival time, and it is an extremely difficult thing to regulate, because it bears upon everything else in the air traffic control system as well.

Now, there have been some changes recently that have been very favorable. We have worked with INS and Customs, and they have modified their approach. GAO has done an excellent job of reviewing the state of things out there at the airports of entry. There are user fees, now, that are going more to staff, or at least to paying overtime in the case of Customs, and that has improved things, but there are some things that they just have not been able to contend with, and one is this raw growth of numbers that I cited, the 60 percent increase. Nobody forecast that.

In addition to that, there has been expansion of traffic to new hubs. If you put traffic into Charlotte and Pittsburgh and Philadelphia, it is going to come out of JFK and some of the other big hubs that we traditionally use. That is where INS and Customs get their resources from.

In addition to that, they have done away with the citizen bypass system, because of the new computer agreement this interagency board, or inspection system, that GAO described. That has caused a concentration of the problem at INS when they eliminated the ability of citizens to pass by and be inspected by Customs.

Now, this has left the system incredibly vulnerable to failure. I do not think anybody even foresaw, as recently as a year ago, how quickly it could collapse if INS simply had an interim problem in hiring personnel, which they had this past winter. With that problem, we suddenly saw lines go up to two and three hours across the map. It is not confined to one region. Honolulu we have dwelt a lot on today, but San Juan, New York, Los Angeles, Chicago, Newark, Boston, Detroit, Seattle, Dallas, Fort Worth—and there are horror stories associated with it.

In Seattle, the problem got bad and INS responded by asking the aliens to stay on the airplane. The citizens could get off, but the tourists had to stay on the airplane and wait to be inspected, because the arrival hall was too crowded. At San Juan, just on Monday, only seven out of 18 booths at the airport were staffed,

and this caused 52 passengers to miss their connections back to the States.

Northwest Airlines had 14 flights in the month of June take longer than two hours to clear, and just on one day, on July 4 in Honolulu, 29 flights were held at their gates, people told to stay on the airplane for half-an-hour to an hour, to wait until the inspection facility cleared out.

Senator ROCKEFELLER. What is the size of the INS compared to what it was, let us say eight years ago?

Mr. NORTON. The work force at INS has tripled what it was three years ago. In 1986 they had about 500 inspectors at the airports. Now, they have very close to 1,500.

Senator ROCKEFELLER. They just cannot keep up?

Mr. NORTON. They cannot keep up.

Senator ROCKEFELLER. You said six out of how many booths?

Mr. NORTON. Seven out of 18. Again, eliminating bypass made that a very labor-intensive process. That contributed, to a large extent, to their current problem with contending with the traffic. They insist on inspecting everybody at this point, rather than letting the citizens go through and be inspected by Customs.

Now, I do not have to describe what problems this causes. Everybody has been very articulate at describing the agony of the traveler, but the airline has its own agony. Those 52 passengers I was talking about at San Juan were put up overnight at airline expense, and additional expenses are very frequently incurred by the industry because of this sort of delay, so it is not only the traveler that suffers.

If we do not get our act together, people are going to vote with their feet, and there are many examples of this. The U.K. took a survey a number of years ago and found out that millions of people were avoiding London airports and trips to the U.K. in general because of delays there. The French imposed a visa requirement in 1986, and found that tourism dropped off drastically. When they decided to reinstate their visa waiver for Americans in 1988, it was driven by the fact that Americans were staying away in droves, not because the terrorism problem had abated.

So we are looking for solutions, needless to say, and they cannot always be in the form of just simply throwing new staff at the problem. You have to look at it as a whole. One step that we have taken as an industry is to try to do some of the processing before the passengers come to the United States ourselves, and that is through an initiative we call advanced passenger information.

United, and soon Northwest, will be supplying Customs and INS in the West Coast ports with advance information on arriving Japanese and American travelers from Tokyo to try to expedite their clearance. It is a system that is currently operating, in fact, with some success in Honolulu, San Francisco and Los Angeles.

Senator ROCKEFELLER. What kind of advance information?

Mr. NORTON. Basically, the data off their travel documents so that all those computer checks can be done before they arrive.

Senator ROCKEFELLER. That is fairly sensible, is it not?

Mr. NORTON. It is very sensible, and as some would say, it is about time we started looking at solutions like this. Customs and INS have been very cooperative at getting this off the ground.



Senator ROCKEFELLER. That is just a FAX machine.

Mr. NORTON. Well, it is more complicated than that. We do hook up the computers so that data can be relayed accurately, and the computers can do their work.

Senator ROCKEFELLER. As the tourist gets onto the plane, at night, for example, what happens?

Mr. NORTON. Under the system that is evolving, a machine will read that passport, look at the information, send it in proper format to Customs, who checks their computers to see if they want to talk to that person.

Senator ROCKEFELLER. So it is not the person at the ticket desk?

Mr. NORTON. Yes, it is to a certain extent.

Senator ROCKEFELLER. They will pass it under a machine of some sort?

Mr. NORTON. Right. The airline computer can then relay that data ahead so that the people can be expedited through the port.

Senator ROCKEFELLER. That is sensible.

Mr. NORTON. We are hoping it will work on a broader scale. Actually, few people realize how much of our traffic—we are talking a lot about Tokyo, and people might say well, the problem is broader than that. You do not realize that 30 percent—over 30 percent of our traffic to the United States comes out of either Tokyo or London, outside of our immediate region of Canada, the United States and Mexico. 30 percent out of those two sites alone.

So if you take advantage of such initiatives as API, and our principal recommendation—pre-clearance and/or pre-inspection—you solve a very large part of the problem. You inspect in advance people who are very easy to inspect in the first place, who only get stuck in line behind the problems that could have been avoided. So we are also very strongly endorsing the establishment of pre-inspection. We only urge our colleagues at the Department of State to start supporting pre-inspection and pre-clearance. That seems to be the main impediment.

Senator ROCKEFELLER. Their reason?

Mr. NORTON. I believe it is turf, and a preference not to have their lives complicated by Immigration and Customs Officers abroad.

Senator ROCKEFELLER. Wonderful.

Mr. NORTON. Our second recommendation is to make the visa waiver permanent. The program is an enormously successful one. It really attracts the tourists. We have figures to prove it. And if it is made permanent rather than just another three-year extension and applies to additional countries, we are going to get our "bang for the buck" on that program. So we urge that the Committee take an active role in getting that extended and made permanent.

We would also recommend that some attempt be made to modernize the Immigration and Customs laws. You probably hear from INS and they will say that they want to see every passenger. And we think in this day and age with accurate data and virtually counterfeit-proof documents, that we are past that and that we can make special provisions for automated clearance of passengers. And a number of countries are already doing what amounts to that. The United States should follow that lead.



And additionally, we would like to see that—you talk about mandating cooperation by INS and Customs. If INS and Customs were subjected to the International Civil Aviation Organization 45-minute standard for processing for everyone at every port, you would effectively mandate that they process people promptly and they come up with the solutions——

Senator ROCKEFELLER. Say that again.

Mr. NORTON. The International Civil Aviation Organization has a standard that requires only 45 minutes be spent for the longest wait in line, from the time you show up in the Federal inspection area until you leave with your baggage out the door from Customs. The United States might claim that in the lump, the aggregate statistics, by dividing the processing time by the number of passengers who arrive every year. But those in the industry realize that is not like that. Many ports have long, long waits at the peak times of the day. And if it was simply—that the U.S. Congress passed legislation that reflected the international standard of a legitimate international organization, the UN affiliate, that would, we think, go a long way toward giving them the proper urging to get the act together.

Senator ROCKEFELLER. That is very interesting.

Mr. NORTON. Mandate the international 45-minute standard for each and every passenger at each and every port anytime during the day.

Senator ROCKEFELLER. And your judgment is if that were done, that there is physically a way to get that done.

Mr. NORTON. Yes, I think there is. And it would also require INS and Customs to start looking again at the wisdom of going away from citizen bypass, how quickly they respond with staffing and overtime to solve temporary peaks, and the usual tools that you might have once you realize that your feet are being held to the fire.

Senator ROCKEFELLER. But your philosophy is you have to force the issue.

Mr. NORTON. Yes. Now, not contradicting that, but Customs and INS are understaffed to a degree. I think our testimony supports that. Mr. Brook has indicated support for changing the Customs user fee around so they can use some of that money for airport staffing and we very strongly support that. It is a very minor change and it only involves using a surplus that is sitting in the Treasury rather than any new appropriations.

INS also has a user fee, certain traffic that is covered under the INS user fee is exempt and we ask Congress to look at whether or not that is a wise exemption, and perhaps that would be a source of revenue for them as well.

In conclusion, I would just say that we endorse the GAO recommendations and I think you will find them parallel to those of AOCI, British Airways, and the Port Authority as well. And I would be happy to answer any additional questions, Senator. Thank you.

[The statement follows:]

testimony of  
Richard E. Norton  
Director, Facilitation  
Air Transport Association of America

July 18, 1990

before the  
Foreign Commerce and Tourism Subcommittee  
Committee on Commerce, Science, and Transportation  
United States Senate

My name is Richard E. Norton, and I am the Director of Facilitation for the Air Transport Association of America (ATA). ATA is a trade and service association that represents twenty-two major air carriers. Our members carry over 95 percent of all scheduled air passenger traffic in the United States, and an even greater percentage of the air cargo volume. ATA carriers provide regular service to over 80 other countries.

The subject of visitor facilitation is one that has never been more appropriate. Travel to the U.S. by foreign tourists is at an all-time high and shows no signs of abating. However, we are deeply concerned that the processing delays that these visitors must endure at our ports of entry will bring the boom to a premature halt.

#### **Demand for U.S. Tourism in the 1990s**

In the past three years, the United States has experienced unprecedented growth in international travel. Between January 1, 1987 and December 31, 1989, the number of transoceanic visitors (i.e., those coming from places other than Canada and Mexico)

increased by 60 percent, and helped generate the U.S.'s first-ever tourism trade surplus. This healthy trend is not likely to reverse itself; in fact, the International Air Transport Association and other industry experts conservatively predict that the traffic volume will double by the end of the decade.

Such estimates are not based on wild dreams, but on the realities of the 1990s. First, the bargain value of the dollar has fueled the engine of tourism, attracting record numbers of foreigners here from the populous major economies of the world.

A second phenomenon that has spurred growth has been the Visa Waiver Pilot Program (VWPP). This well-timed and long overdue reduction of travel barriers began in 1988 for nationals of Japan and the United Kingdom. With the addition of Germany, France, Italy, the Netherlands, Sweden and Switzerland, the VWPP became a significant contributing factor to the increase in tourism; the growth rate from those eight countries was 75 percent over the same three year period (1987-89). There is much evidence to suggest we have just begun to tap the potential of this traffic. Note the current volume of overseas travel to the U.S.:

| country        | % of total<br>U.S. visitors | population<br>(millions) | visitor<br>rate* |
|----------------|-----------------------------|--------------------------|------------------|
| Japan          | 18                          | 116                      | 2.6              |
| United Kingdom | 16                          | 56                       | 3.9              |
| Germany        | 7                           | 62                       | 1.7              |
| France         | 5                           | 54                       | 1.2              |
| Italy          | 3                           | 57                       | 0.6              |

\*national population/no. visiting the U.S. X 100

Even though the top five countries represent 50 percent of transoceanic visitor traffic to the U.S. (or 7.4 million of the 14 million total), clearly there is a strong opportunity for measurable increases in tourism from these sources alone. For example, raising the visitor rate from Germany, France and Italy to that of Japan would increase tourism by 2.1 million--or 15 percent.

The success of the VWPP coincides with a third reason why the air industry sees sustained growth in international travel through the 1990s: the reduction of tensions worldwide, and the renewal of relationships with countries that have an enormous pent-up demand for travel to the U.S. When combined with a strong worldwide economy among the industrialized democracies, a cheap dollar and minimal travel restrictions, the outlook is encouraging.

The air transport industry is prepared to handle the rapid expansion of international tourism. New aircraft, many with the capacity and range that are necessary for routes between existing and emerging markets, are being ordered and delivered at an unparalleled rate (yet still not quickly enough to satisfy the need). Additional routes are being sanctioned by the U.S. government, both to our traditional gateways such as New York, Miami, Honolulu and Los Angeles (which are the first ports of entry for 65 percent of foreign tourists) and to places that had limited or no service a few years ago. Airport operators are busy adding space to their international arrival facilities, trying to ensure that the infrastructure will be there to cope with the influx.

### Limitations to Tourism Growth

Not all of the news is good, however. International travel can only be as attractive as the weakest link allows, and the industry is deeply concerned that inefficiencies in the way visitors are inspected and admitted to the U.S. will create a negative impression severe enough to steer away many potential tourists (industry sources in the United Kingdom claim that processing delays at London airports caused millions to decide against revisiting--or recommending others visit--the U.K.). Unless the predicted growth is accompanied by fundamental changes in the way the federal inspectional system is operated, business people and vacationers alike will find better alternatives for their destinations than the U.S.

ATA recognizes the many changes that have been made in the past few years in reaction to the rise in international traffic. First, airports and carriers have improved terminal space at many locations. There are very few ports that have not been modernized in the past few years. To mention just a few examples would not do justice to the efforts throughout the U.S. to accommodate the waves of travellers.

Second, the inspectional agencies--primarily the Immigration and Naturalization Service (INS) and the Customs Service--have modified their approach in several key ways. For example, INS and Customs have joined their computer systems; they have both become more reliant on user fees that can be spent directly or indirectly



on passenger processing; and in the case of Customs, it has started to rely on profiles, "rovers" and other sophisticated law enforcement techniques to catch violators.

User fees alone have enabled INS to increase its workforce threefold at airports since 1986. At that time, about 500 inspectors were staffing the arrivals halls; by the end of 1990, the agency estimates that over 1500 will be on duty. The fees have also helped INS to automate some of the tasks related to entry processing and to pay overtime. Customs' user fee, while less flexible than INS' version, nevertheless has provided a much-needed source of revenue for overtime funds.

Notwithstanding these developments, more must be done. Simple reliance on the brute force approach, represented by larger facilities and more staff, will not keep pace with the growth. The above-mentioned tripling of INS staff would easily seem to compensate for the 60 percent increase in travel, but in truth the agency is hard pressed to provide an adequate level of service. This is due to several events: first, raw growth in numbers of passengers; second, expansion of traffic to new hubs that cause existing staff to be spread thinner (economies of scale at megaports like JFK, which handles many flights every hour, cannot be achieved at sites such as Charlotte, which now takes care of one flight per day); and third, the elimination of the citizen bypass system.

The last change deserves some elaboration. Instituted in 1978 due to INS staffing problems, citizen bypass spread out arriving traffic at most airports by having INS process aliens and requiring Customs inspect returning U.S. citizens. The INS/Customs computer sharing agreement that was concluded last year, known as the Interagency Border Inspection System (IBIS), restored to INS responsibility for all determinations on immigration admissibility. This system has been installed at all major airports with the exceptions of JFK International Airport in New York and Miami, both of which have facility limitations that preclude total conversion to IBIS soon.

This combination of events has left the system remarkably vulnerable to failure. A temporary halt to INS hiring during the first half of this year--a commonplace occurrence in the government--quickly led to serious delays at virtually all ports. Travellers to Honolulu, San Juan, New York, Los Angeles, Chicago, Newark, Boston, Detroit, Seattle, Dallas-Ft. Worth and Miami, to name a few, were subjected to delays often extending to two hours or more.

For example, ATA member carrier Northwest Airlines reported fourteen transpacific flights during June 1990 required at least 90 minutes to clear INS and Customs; eight of those flights took 2 hours. In Honolulu this past July 4, passengers on 29 flights were subjected to an average wait of thirty minutes on board their

aircraft before being allowed to proceed into an already-jammed arrivals hall, where waits of several hours remained ahead of them.

The consequences of these long queues reach far beyond the drudgery of standing in line. If passengers routinely take longer than the 45-minute international standard (set by the International Civil Aviation Organization) to clear immigration and customs, their travel plans can be disrupted. Unfortunately, this sort of upsetting and expensive interruption is an everyday event at our busier gateways. Travellers agonize in line, knowing that their connecting flight is about to depart; airlines incur the added expense of providing alternate travel arrangements or overnight accommodations for those who miss the onward leg of their journey.

It is not hard to imagine the response of passengers who find themselves inconvenienced in this way. After witnessing how dramatically tourism to France dropped off after the imposition of visa requirements in 1986, we are quite certain that travel to the U.S. will be perceived as not worth the effort if three-hour lines (as was the case in San Francisco two weeks ago) and hour-long gate holds (i.e., keeping passengers on the arriving aircraft until the terminal clears out) remain a common characteristic. Seasoned travellers expect prompt service, or they will take their business elsewhere.

## Solutions

Having within our sight a vision of how much more growth we will experience in the near future, it is clear that old methodologies have to give way to more innovative solutions. New resources must be viewed as part of the solution to the problem, but other initiatives must be undertaken or we will never be in a position to anticipate the demand, nor have the flexibility needed to respond to temporary changes in the volume of travellers. This kind of unidimensional response has other limitations as well; funds are difficult to come by, whether in the form of appropriations, user fees or facilities charges.

It is for these reasons--a realization that new staff will not materialize promptly enough to handle the increase in traffic, and that terminal walls are not easily expanded--that the industry has searched for a quicker remedy. Some ATA members have instituted a program that begins the inspections process prior to departure from the foreign port, through use of modern communications methods. Under this experiment in passenger processing, known by Customs' sobriquet of Advanced Passenger Information, or API, relevant data on each traveller is captured by airline personnel and forwarded to the agencies well in advance of flight arrival.

United Airlines is the first scheduled carrier to adopt API on a significant scale. Beginning this past June, United has used this process on selected aircraft operating from Tokyo to Honolulu,

San Francisco and Los Angeles. API passengers are able to be given special priority upon arrival, since part of the processing has already been done. Northwest Airlines will adopt a similar system next month at the same embarkation point, and other ATA members are planning trial API programs that will be run at various overseas locations. Although this creates a new burden on carrier check-in staffs, ATA is hopeful that API will reduce some of the congestion and expedite the clearance of low-risk passengers.

Even if API were to become a processing standard, the benefit that is to be gained will be limited by the extent to which INS and Customs change their routines. We hope our efforts will lead to a careful examination of how the federal agencies can make a concomitant adjustment to the labor-intensive processes they currently employ, and that all other parties make a concerted attempt to pursue a contemporary vision of a worldwide facilitation program. Such a goal is not as unattainable as it may sound; in fact, the principles have been established, and only need to be aggressively pursued.

ATA proposes the following actions to guarantee that foreign tourists will encounter adequate and efficient processing when they arrive, so that the tourism boom will continue:

1. Rapidly expand the number of preclearance (Customs and Immigration processing) and preinspection (Immigration only) sites. Since the 1950s, travellers from Canada



have taken advantage of an inspections process that occurs at the point of departure for the U.S. GAO has examined this system, and determined it to be a cost-effective means of clearing low-risk passengers. We urge Congress and the Department of State to support continuing initiatives to expand preclearance and preinspection to additional high-volume sites such as London (where a trial program is to be run this fall), Tokyo, Frankfurt, Brussels and Amsterdam. INS has indicated that it can accomplish this expansion through use of existing user fee revenues.

2. Make the Visa Waiver program permanent, expand the number of countries that are included, and remove nonfacilitative provisions. The experiment begun in 1988 will expire in 1991 unless renewed by Congress. The Administration has concluded that the VWPP should be extended for three more years, and will recommend that more low-risk countries be added. We ask that Congress go one step further and make the program a permanent one, based on the lack of negative incidents that are attributable to the program. The smoothness of the VWPP could be enhanced by removing language that implies that the traveller must complete a cumbersome entry form (the much maligned I-791), and by clearly stipulating that persons who enter the U.S. across the land border are eligible for the waiver as well (currently INS restricts

the VWPP to aliens who enter by air or sea aboard a participating carrier).

3. **Extend fee-based funding schemes to passports and visas, and use the money to further automate the inspections process.** The United States was one of the first nations to issue passports in a machine-readable (MR) format. Now, over 80 percent of U.S. travellers are in possession of such documents. MR passports allow inspections to be expedited in a number of ways; they form the basis for the API project noted above, and allow special inspection lines to be designated for MR document holders. Broad adaptation of a machine-readable visa (which would automate inspections for non-U.S. citizens) has not occurred, however, due to funding problems. ATA recommends that this be remedied by permitting the Department of State to issue these documents through a self-funding user fee account that is independent of appropriations. Since better passenger screening, quicker inspections, and relocation of a significant part of the processing to the point of embarkation are direct benefits the government receives from an MR-based system, we also ask that Congress give full consideration to designating a proportion of the funds from each relevant fee account to the acquisition of machine readers for carrier use.

4. Modernize immigration and customs laws; eliminate provisions that do not permit rapid processing of low-risk tourists. INS points to statutory grounds for not being able to further facilitate inspections. ATA suggests that the industry work closely with Congress to develop legislation that (a) makes specific provisions for automated clearance of citizens and tourists, (b) further relaxes travel barriers for nationals from low-risk countries; and (c) expedites the removal of persons who are found to be inadmissible upon arrival in the U.S.
5. Make changes to the Consolidated Omnibus Budget Reform Act of 1986 (COBRA) to specifically authorize that COBRA user fees are to be spent on additional Customs staff at airports. COBRA contains a \$5 user fee that is charged to all transoceanic passengers. The fee generates approximately \$140 million in revenue per year. OMB restrictions on the use of these funds have kept the money from being spent on anything other than overtime and preclearance staffing. This limitation has left an annual unused surplus of about \$35 million. ATA recommends that Congress adopt language that permits Customs to use the excess to hire new inspectors at international airports.
6. Make adjustments to the INS inspections user fee account. INS has its own \$5 user fee that permits the \$110 million in revenue (1990 estimate) to be spent on inspector salaries,

overtime, automation and detention of inadmissibles. All of the funds are being used, but there remains a shortage of airport-based inspectors. Several proposals to increase revenues have been considered, such as raising the existing fee or eliminating a provision that exempts fees on traffic originating in Canada, Mexico or the Caribbean. ATA asks that Congress carefully review funding alternatives to determine the most efficient way to facilitate travel. Such an examination should include (a) an assessment of how effectively INS and Customs are sharing and deploying existing resources, and (b) an evaluation of how recent initiatives--such as the establishment of the joint computer system and abandonment of citizen bypass--have affected facilitation.

#### **Conclusion**

ATA seeks a common-sense, low cost approach to solving the facilitation crisis before it affects the growth of the travel industry. Our members have many years of experience with the inspectional systems employed by other countries, and believe that damage can be averted by making practical adjustments to our port processing methods without sacrificing national security or immigration control, and without requiring large new congressional appropriations.

ATA welcomes this important opportunity to work with Congress and the Administration. By making our airports models of efficiency rather than objects of international embarrassment, the 1990s are certain to be fruitful years for U.S. tourism.

Senator ROCKEFELLER. Thank you. Ms. Herman.

**STATEMENT OF ALICE HERMAN, ASSISTANT DIRECTOR  
AVIATION, PORT AUTHORITY OF NEW YORK-NEW JERSEY**

Ms. HERMAN. The Port Authority of New York-New Jersey is the operator of JFK International, Newark International and La Guardia Airports. I am the only witness today representing an airport. And our two international airports handle about half of the transatlantic U.S. air traffic. That represents a good portion of our total of about 20 million international passengers a year from our two airports.

I would like to start by stating a point that is important to us as an airport operator. And that is that if an airline or a charter travel agency experiences some kind of unfortunate problems in a city or an airport, they can cease to service that facility and choose other destinations. However, the airport operator's investment is a permanent one. We have invested over \$2 billion at this point in JFK and Newark facilities, and we are in the process of planning to spend several billion dollars additionally in the next five years. Thus, the efficient operation of our airports is critical to the Port Authority in both meeting its public service mandate and also in servicing its debt.

We share this Committee's objective in encouraging foreign travel to the United States. The tourism industry is vital to this country's economy and also to the economy of the local New York-New Jersey area. It is a multi-billion dollar industry for us alone in our region, and in that region it generates more than a quarter million jobs as well.

We believe that the Federal government has the primary responsibility to ensure that every foreign visitor to the United States is processed promptly and courteously. This responsibility begins even before the plane reaches the airport, and by that I am referring to the air side congestion, the congestion in the air actually, that frequently causes delayed arrivals. As such, we believe that the need for Federal Aviation Administration staffing to be improved and to improve the out of date and inadequate equipment is part of this whole issue of receiving our international visitors.

Senator ROCKEFELLER. What kind of equipment?

Ms. HERMAN. The radar equipment, new technology that is needed to allow for planes to approach from a variety of routes, such as the MLS equipment that is being experimented with now at Kennedy, the microwave landing system. There is technology that should allow planes to come in with less distance between them, which would be able to facilitate landing in the congested airports. There is technology available that can certainly help with the delay problem that is being experienced throughout the country, not only in New York.

Even when this air congestion problem is solved, of course, the thousands of visitors that we have every day face the daunting task of being processed by at least four Federal inspection services that have been discussed here this afternoon. Of course, Immigration and Customs have been focused on. Public Health and Agriculture are a smaller but permanent part of that picture. The end result



can be very lengthy processing times, as you have heard. The process is only as efficient as the weakest link in this chain. Despite Port Authority's recent investment of \$44 million to improve the FIS facilities at the international arrivals building alone at Kennedy, last month, for example, the average processing time for Immigration only was 30 minutes. And as we just heard, if we use the international standard of 45 minutes, that would include getting off the plane to walking out of the FIS area, we are woefully behind because our average arriving passenger takes about one hour to do that. And that is only the average. Many of our passengers find their wait to be two hours or longer, which we consider totally unacceptable.

At Newark Airport, which happens to right now be one of the country's fastest growing international airports, the situation is not any better. New inspection facilities, which include 20 Immigration booths, were opened in June of 1989 at a cost to us of \$11 million. Facing a traffic boom, we made an additional \$3.5 million investment this year to improve the Customs area, and we have made space available for another six booths in the Immigration area, only to find that Immigration does not want us to install them because they frequently cannot staff the existing booths. It is common to see empty booths and hundreds of arriving passengers waiting to be cleared.

Mr. Chairman, the FIS collects \$10 per passenger, as you have heard, with \$5 going to Customs and \$5 to Immigration as user fees. To us, it is inexcusable ~~not~~ to have all of these funds available to provide a service for which the passenger has paid a user fee charge. I realize that this issue is not one before the Committee, and that other witnesses have certainly addressed it. But it certainly highlights the severity of the problem.

It is obvious that a very basic organizational issue remains with the control and structure of the inspection process overall. I have already named the numerous agencies that are involved. Each of these agencies is under the jurisdiction of a different Committee in the House and Senate, and their viewpoints, priorities and goals frequently differ. Perhaps it is time to revisit a position that we have advocated along with others in the past, and that is a single inspection agency. And I would suggest that Congress and the Administration might consider reexamining that at this time.

The Federal government has the primary responsibility for processing visitors, but it is the airport operator who must provide the facilities at no cost to the Federal inspection agencies. My colleague from AOCI will address some of the problems that are related to this aspect of facilitation. But I would like at this time to ask you to seriously consider the capacity enhancement possibilities associated with the passenger facility charge which is currently being considered in the House. PFCs will be used to aid air side capacity and to provide needed gates and terminal facilities to serve international travel. We and America's airports urge you to support passage of a PFC, which would improve the efficiency of the facilitation process.

Many people maintain that the best way to alleviate congestion, both in the skies and on the ground, is to open more new gateways. There are obvious economic benefits to be derived. However, Con-

gress has not adequately addressed the need to fund the operations of the Federal inspection services at these new gateways. The agencies' response has been frequently been to "rob Peter to pay Paul." And unfortunately we, as the established gateways, are the Peter whose pockets are being picked. It is ironic, since we have been informed that we have the most productive inspection staff in the nation. Yet JFK is often cited as a gateway not desirable for international travelers. However, we cannot improve the situation if the resources are drained from us or just as dangerous, if we are not given an adequate share of any new staffing resources.

We are aware that greeting foreign visitors goes beyond the physical facilities and the FIS staffing. We recognized shortcomings years ago and formed, as a private/public cooperative effort, the Gateway Improvement Steering Committee, which started in 1983. The committee addressed such issues as baggage handling, service industry courtesy, currency exchange, language barriers, and a number of the other important greeting tools that have been discussed here this afternoon.

The committee was successful in taking certain concrete steps to elevate the quality and expand the variety of tourist services. We have trained taxi drivers to improve their courtesy and their communications skills and have provided police officers in tourist areas with appropriate information to fulfill tourist needs.

The committee, after implementing these and other improvements, disbanded in 1986. However, in the face of continued growth of foreign visitors, I am pleased to say that we are in the process of re-establishing a Gateway America Steering Committee with representation from all of the tourism related interests.

While the work program is being formulated, the goal is clear: Make each visitor's trip to the United States an enjoyable experience.

And this might be an appropriate time for me to address your question earlier about the signing, when you said "what about JFK?" The experience that you had being called an alien, upon arrival in another country, was similar to the signing that we used to use at one time at JFK. We talked about U.S. citizens and alien citizens. And about 6 or 7 years ago, we also changed our wording so that we now talk U.S. citizens and visitors. And we do so in, I believe, six different languages which represent the languages of our largest contingent of visitors. So we are attempting to be sensitive to that issue.

Another effort——

Senator ROCKEFELLER. You should wind up fairly quickly.

Mrs. HERMAN. We are doing a number of programs to attempt to facilitate the international arrivals process, mostly by providing new and expanded facilities. As I mentioned, the Federal government must do its part to increase its level of service to foreign tourists, by increasing staffing and efficiency, and addressing, where necessary, legislative remedies.

Thank you for your attention, and I will be glad to answer any further questions.

[The statement follows:]

STATEMENT OF ALICE HERMAN, ASSISTANT DIRECTOR OF AVIATION, PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Good afternoon. My name is Alice Herman, Assistant Director of Aviation for The Port Authority of New York and New Jersey, operator of John F. Kennedy International; LaGuardia and Newark International Airports. Our two international airports handle nearly half of U.S. transatlantic air passengers and in total some 20 million international passengers per year. The efficient operation of our airports is critical to the Port Authority meeting its public service mandate and I appreciate the opportunity to testify before the Committee this afternoon on the efficiency with which foreign visitors are processed through United States airports.

The tourism industry is a multi-billion dollar industry in the New York-New Jersey region and generates more than a quarter-million jobs. The New York City Convention and Visitors Bureau estimates that the 19.8 million visitors per year spend \$9.8 billion during their stay. We cannot afford to offend these visitors and must make their entry and stay in our country an efficient and courteous experience. The obvious consequence of failing to do so is that they will spend their tourist dollars in a more hospitable country.

We believe the Federal Government has the primary responsibility to ensure that every foreign visitor to the United States is processed promptly and courteously. In fact, this responsibility begins before the plane ever reaches the airport. Aerial congestion frequently causes delayed arrivals. To a great extent this is due to insufficient Federal Aviation Administration staffing and out of date or inadequate equipment.

Once in the terminal our thousands of visitors a day then face the daunting task of being processed by at least four different federal agencies: Immigration, Customs, Public Health and Agriculture. The end result can be very lengthy processing times often leading to missed connections. For example, at Kennedy's International Arrivals Building the average processing time in the Immigration Hall (IAB) alone last month was over 30 minutes. When you add the time it takes for a traveler to retrieve bags and complete the other agencies' clearance processes it was about one hour before the average traveler left the IAB despite our recent investment of \$44 million to improve the building's Federal Inspection Services (F.I.S.) and lobby areas. Passengers aboard a significant number of flights were less fortunate. They spent more than 75 minutes just clearing Immigration.

At Newark Airport, one of this country's fastest growing international gateways, the situation isn't any better. New inspection facilities, which included 20 primary Immigration booths, were opened in June 1989 at a cost of \$11 million. Facing a traffic boom, we made an additional \$3.5 million investment to improve the Customs area and have made space available for another six booths in the Immigration area, but Immigration doesn't want us to install them because they frequently cannot staff all the existing booths. It is common to see empty booths, when hundreds of passengers are awaiting clearance. For example, on June 29 seven flights arrived within an hour and a quarter carrying some 1,885 passengers, which exceeded the facility's fully

- 3 -

staffed INS capability of 1,100 passengers per hour and far surpassed the capability of the 16 INS inspectors actually on duty. Due to the congestion in the Immigration hall passengers on six aircraft were held aboard for periods ranging from five minutes to over one hour and many passengers took more than two hours to complete the F.I.S. process.

Mr. Chairman the F.I.S collects \$10 per passenger in international arrivals user fees with \$5 going to Customs and \$5 to the Immigration Service. As such, it is inexcusable to not have these funds available from OMB to provide a service for which the passenger has paid a user fee charge.

It is very frustrating to the passengers, to us as the airport operator and, generally, to the local inspection services staff who lack the resources to perform their duties efficiently. An unfortunate experience in one airport can cause passengers and tourists to avoid that airport (and even country) in the future. We have invested over \$2 billion in JFK and Newark and are planning to spend several billion dollars more over the next five years.

As such we are very active in addressing these problems both directly with the agencies and before the Congress. We gratefully acknowledge the support we have received from our Congressional delegation as various problems have arisen. However, a very basic problem exists with the control and structure of the inspection process. I have already named the numerous agencies involved. Each of these agencies is under the jurisdiction of a different committee in the House and Senate and their viewpoints, priorities and goals each frequently differ. The efficiency with which visitors are processed in most cases depends on the strength of the weakest link in this chain. In the past we, and others, have advocated a single inspection agency but the concept foundered on the rocky shores of political differences. Perhaps it is time for both Congress and the Administration to re-examine this issue.

As I stated, the Federal Government has the primary responsibility for processing visitors but it is the airport operator who must provide the facilities, at no cost to the Federal Inspection agencies. As my colleague from AOCI has addressed some of the problems related to this aspect of facilitation, let me ask you to seriously consider the capacity enhancement possibilities associated with the Passenger Facility Charge (PFC) which is currently being considered in the House. PFC's will be used to aid airside capacity and provide needed gates and terminal facilities to serve international travel. We urge you to support passage of a PFC which would certainly improve the efficiency of the facilitation process.

Mr. Chairman, we share this Committee's objective of encouraging foreign travel to the United States. There are many who maintain that the best way to do this is to open more new gateways and cite the economic benefits to be derived. However, Congress has not adequately addressed the need to fund the operations of the Federal Inspection Services at these new gateways. The agencies response has been in many cases, "to steal from Peter to pay Paul." Unfortunately we, the established gateways are the "Peter" whose pockets are picked. It is

- 4 -

ironic since we have been informed that we have the most productive inspection staff in the Nation; yet JFK is often cited as a gateway not desirable for international travelers. However, we can't improve the situation if resources are drained from us or just as dangerous, but more insidious, failing to give us an adequate share of any new staffing resources.

Facilitating foreign visitors is more than fulfilling the legal entry formalities. The Port Authority and other agencies in the New York-New Jersey Metropolitan Region recognize the need to truly accommodate the foreign traveler. Our efforts begin in the Immigration Hall where we employ a cadre of "Gateway Receptionists," fluent in a variety of foreign languages and partially Federally funded, to assist visitors with the frequently confusing government forms. This is a small but comforting step.

I would be less than candid if I claimed everyone arriving at our airports found it a pleasant experience. We recognized the shortcomings years ago and formed the Gateway Improvement Steering Committee under the chairmanship of Mayor John Lindsay in 1983. The Committee addressed such issues as baggage, service industry courtesies, currency exchange, language barriers, overall cleanliness of the region and the police role as a tourist resource. The Committee was successful in taking some concrete steps to elevate the quality and expand the variety of tourist services. We have trained taxi drivers to improve their courtesies and communication skills and have cracked down on airport hustlers. We have provided police officers in tourist areas with appropriate information to fulfill tourist needs. We have increased the number and the visibility of foreign money exchange outlets. The Committee, after implementing these and other improvements, disbanded in 1986.

However, in the face of the continued growth of foreign visitors we have re-established the Gateway America Steering Committee, with representation from all the tourism related interests. While the work program is being formulated the goal is clear: make each visitor's trip to the United States an enjoyable experience.

We are doing our part to facilitate the international arrivals process by providing new or expanded facilities. The Federal Government must do its part to increase its level of service to foreign tourists by increasing staffing and efficiency. Tourism is vital to both the New York Region and the Nation and the Government must provide the appropriate infrastructure.

Thank you for your attention. I will be glad to answer any of your questions.



Senator ROCKEFELLER. What did you do to train the taxi drivers?

Mrs. HERMAN. We set up a school, in conjunction with New York City's Taxi and Limousine Commission. And the school had a curriculum which taxi drivers needed to pass before they were allowed to get their license. Now, it has not corrected all of the problems in New York City—

Senator ROCKEFELLER. This was their license from the—

Mrs. HERMAN. —Taxi and Limousine Commission of New York City.

Senator ROCKEFELLER. Which governs not only the Authority's territory, but also the City's?

Mrs. HERMAN. It governs; specifically, the City's territory—the entire New York City territory

Senator ROCKEFELLER. Interesting—

Mrs. HERMAN. We are very pleased with that alliance.

Senator ROCKEFELLER. And if you had to say a percentage of increase in courtesy or responsiveness, just describe some general percentage.

Mrs. HERMAN. A percentage would be difficult for me to describe, but I would say that our complaints about overcharging, for example, which was a terrible problem at Kennedy at one point, have decreased by more than 50 percent, certainly. So I consider that a significant improvement.

Senator ROCKEFELLER. Thank you, Mrs. Herman.

Mr. Dunkerley.

#### STATEMENT OF MARK DUNKERLEY, COMMERCIAL AND GOVERNMENT AFFAIRS, BRITISH AIRWAYS

Mr. DUNKERLEY. Thank you, Mr. Chairman.

On behalf of British Airways, I would like to express our sincere appreciation for being invited to testify this afternoon.

Despite the many welcomed efforts of the Immigration Service and the Customs Service over the past few years, the United States still lags far behind many other comparable nations in the degree of facilitation it provides to international arriving passengers.

By and large, the problems can be separated into two distinct categories: one being bureaucratic burden, and the other one being inefficiency.

The most salient example of bureaucratic burden I can use is the fact that of the 75 countries British Airways serves, it is only on flights to the U.S. that we feel compelled to show a video to international arriving passengers to help them get through the FIS paperwork and requirements.

Senator ROCKEFELLER. That is extraordinary.

Mr. DUNKERLEY. It is absolutely extraordinary.

Senator ROCKEFELLER. And some of the other countries—to make the point more dramatic—that you go to that you do not have to do this are, for example?

Mr. DUNKERLEY. Oh, it—they encompass virtually every totalitarian regime, virtually—

Senator ROCKEFELLER. For example, India?

Mr. DUNKERLEY. India—

Senator ROCKEFELLER. Is far more efficient than we are?

Mr. DUNKERLEY. Yes.

Senator ROCKEFELLER. That is enough to depress me.

Mr. DUNKERLEY. Eastern Europe, many countries in the Third World and Africa—

Senator ROCKEFELLER. So you have a video which, in a sense, does not solve any problems, but forewarns the traveler of what he or she is about to face?

Mr. DUNKERLEY. Yes, it does. It also explains what conditions you, as an individual, must meet to fit into to qualify, let us say, for the visa waiver program; what documents you must have and what requirements you must meet if you wish to transit without a visa, for example.

There is a swelling of the categories of visitors to the United States, that in and of itself creates confusion and forces us to show a video to try and explain it all.

Senator ROCKEFELLER. Extraordinary—please proceed.

Mr. DUNKERLEY. Thank you. That is the example of the bureaucratic burden part of it. The inefficiency can be measured in one very clear and simple way. To the international arriving passenger, the only real measure of efficiency he is interested in, is how long it takes him to get through the Federal inspection process.

And in that regard, the U.S. has, as you have heard earlier, a 45-minute clearance time standard, which the U.S. sponsored to be adopted as a world-wide recommended practice. And the standard is clearly, as you have also heard, not being met.

To add insult to injury, our passengers are paying a ten-dollar tax for this inspection. And it would occur to us, as a foreign airline comparing the other destinations to which we fly, that the U.S. can ill-afford to charge a tax and yet at the same time provide a level of service that is inferior to many countries that are not charging for this service.

Senator ROCKEFELLER. And most others do not?

Mr. DUNKERLEY. That is correct, yes.

Senator ROCKEFELLER. All others do not?

Mr. DUNKERLEY. No, most others—there are some countries that have departure taxes that take care of airport facilities and other government functions. I am not aware of another nation levying a tax solely for Immigration and Customs activities. But it is likely that departure taxes in other countries are going some of the way to pay for government inspection.

It would not be right to place the blame for this sorry state of affairs at the door of the Federal inspection agencies. Over the past years it has also been insufficient Congressional attention to these problems that has led to the problems arising. It is extremely gratifying to see a Subcommittee such as this understand the competitive issues involved for the United States export interests in the facilitation of passengers.

The treatment meted out to international arriving passengers is a competitive issue. And as I said, it is extremely warming to see that this has been accepted by this subcommittee.

Several things, in our view, need to be done. First of all, we would like to see the present exemption, which travellers from Canada, Mexico, and the Caribbean enjoy, rescinded. That is the exemption from having to pay the ten-dollar tax coming into the

United States. The money is obviously desperately needed, as you have heard today. And the present situation is discriminatory. We would like to think that issues of basic equity would prevail, and something would be done about that.

Senator ROCKEFELLER. Now why do you make a point of that? In other words, I recognize it is discriminatory, but there is a logic to it. Just on the face of it, they are, quote, "neighbors", etc.

Mr. DUNKERLEY. That is right. And that could be accepted, if general revenues were going for the inspection of these individuals. But at the moment it is the residents of London, the residents of Frankfurt, that are paying for the residents of Mexico to cross the U.S. border. While we can certainly understand issues of neighborliness, we do not believe that your neighborliness should come out of our pockets.

The second issue is one of accountability. We would like to see some improved accountability at the Federal inspection agency level. There are two real issues. First, the money side. We would like to see the revenues and expenses broken out by point of entry so that, for example, you can see how much revenue is being collected at Newark airport, or JFK and how much is being spent at those airports.

Second, greater accountability of the staffing levels at each airport, and a measure of performance is needed.

We hear a lot of anecdotal evidence about the nightmares that are happening throughout the country. It would be a great step forward to be able to put some objective performance criteria together by which Congress and the public could call for improvements, could see where improvements are being made, and could highlight the particular areas which need special scrutiny.

Last, we would like to see the 45-minute clearance time standard made into law. You can to-and-fro whether mandates are important to achieving improved performance, but the way we would see it, is that the 45 minutes expresses the intent of Congress, the belief of Congress, of where the balance should be drawn between the conflicting goals of facilitation and enforcement.

And we would like to see a situation where if the 45 minutes is not being met, it should trigger decisions to be made to either increase resources, or re-examine enforcement obligations being placed on the Federal inspection agencies, or both, in order to bring the level of service up to the 45-minute standard.

I would just like to mention a point about pre-inspection. I had not intended to address it, but I had heard several comments about it earlier.

We do not see pre-inspection as a long-term or total solution to Immigration and Customs delays. There are a couple of reasons for this. First of all, when taken to the nth degree, they will involve some reciprocity.

Before the U.S. can legitimately pursue a policy of having their Customs and Immigration officers stationed abroad with arrest powers in foreign countries, I think there would have to be the acceptance in the United States that Customs officials from foreign countries could reside here and exercise arrest powers. And I am sure that many countries very similar to the United States have some very fundamental legal differences, such as "guilty until

proven innocent". Pre-clearance, therefore, raises very difficult legal issues associated with arrest powers.

Senator ROCKEFELLER. In the case of the U.K., if there were that reciprocity, would you use it?

Mr. DUNKERLEY. Well, I must say that I cannot speak on behalf of our government. I am a private airline representative—and this is ultimately a government-to-government matter.

We would like to see the problem of clearing international passengers handled here in the United States expeditiously. Ultimately, pre-clearance is a bit like having some toxic waste and then feeling that you have cleaned up the environment by shipping it to another country.

Senator ROCKEFELLER. It is a gentle comparison, but I understand your point.

Mr. DUNKERLEY. We would like to see the U.S.'s Immigration/Customs problems solved on U.S. soil.

Thank you.

Senator ROCKEFELLER. Thank you, Mr. Dunkerley.

[The statement follows:]

## TESTIMONY OF

MARK DUNKERLEY

BRITISH AIRWAYS, COMMERCIAL AND GOVERNMENT AFFAIRS, NA

July 18, 1990

Good afternoon Mr. Chairman and members of this Subcommittee. On behalf of British Airways I would like to express our appreciation to the Subcommittee for taking the time to listen to the views of a foreign airline on visitor facilitation at US points of entry.

As the economic benefits of attracting visitors from overseas have been recognised by many nations, the tourism industry has become fiercely competitive. Fortunately, the US is blessed with having many wonderful attractions which ensure that foreign citizens will always want to visit the US for vacation, for business and to see friends and relatives. In the current competitive climate, however, no country can afford to rest on its laurels and still hope to maintain its market share of international tourism.

The inadequacy of federal inspection process imposed on visitors arriving in the US is a competitive weakness. As such, it must be addressed if the US is to make the most of its natural attractiveness as a destination for travelers from overseas. The impediments to the free flow of visitors into the United States too often leave a poor impression on travelers, and colours their view of the entire stay. With so many working so hard to leave the opposite impression, and with such significant economic benefits at stake, rectifying this blemish should be an important concern for Congress.

Despite the welcomed efforts in recent years of both the Immigration and Naturalization Service (INS) and the US Customs



Service, the US still lags far behind many other nations in making access to its tourism industry efficient and free of bureaucratic burden. A few examples serve as illustrations of the many short-falls in the current federal inspection process.

Bureaucratic Burden Beyond doubt, the visa waiver program is a move in the right direction. It does diminish the burden for some foreign citizens of having to obtain a visa before visiting the United States. However, the visa waiver program applies to only a select group of travelers who fit into a narrowly defined profile. The creation of this new category of visitor has swollen the already long list of passenger types, each facing different requirements for admission. The visa waiver program has, in practice, added to the confusion common amongst foreign citizens arriving in the US, amongst airlines which are responsible for assuring that each passenger complies with the proper requirements, and even amongst the inspectors who must determine whether a passenger fits within one category or another.

The level of confusion is such that British Airways feels compelled to show a 10 minute instructional video on US bound flights. The video explains which forms have to be filled out by which category of visitor as well as the other requirements imposed by the federal inspection agencies. Throughout the world, BA serves 75 countries and it is only on flights to the United States that we have felt the need to provide such instruction to our passengers.

Inefficiency To an international passenger, the measure of efficiency is the length of time it takes to clear through all inspection formalities. Today, passengers arriving in the United States endure unacceptable delays. This is not a local problem but an endemic problem faced by passengers travelling on any airline to the US, whether foreign or domestic.

Congress has expressed its view that 45 minutes is the maximum amount of time that any passenger, arriving in the United States on any flight, on any day of the year, should be detained by federal inspection formalities. At the behest of the United States, ICAO has adopted this standard as a worldwide Recommended Practice. Yet today, the US federal inspection agencies are far from delivering this level of service.

Too often, clearance time complaints are rebutted by the production of irrelevant statistics showing how, on average, passengers are cleared within the 45 minute standard. The clearance time standard is a maximum, not an average. To the passenger who has suffered a two and a half hour delay, the average provides little succor.

To add insult to injury, passengers are being taxed \$10 for this inadequate service. The charge is a tax because travelers from Canada, Mexico and the Caribbean are exempted from having to pay it. Consequently, those who do pay the charge subsidise the clearance of those who do not -- and that is a tax. As a tax, it violates the letter and the intent of many bilateral air services agreements. Further, there is no compelling rationale to suggest that passengers should have to pay anything at all for federal inspection. The benefits of inspecting international arriving passengers accrue to the general public. The costs of that inspection should, therefore, be borne by the general public. Above all, when few other nations are even levying a charge for inspection formalities, the US should not be levying this tax and yet providing less than adequate service.

Those whose interests lie in enhancing the competitiveness of the US as a tourism destination for foreign citizens cannot afford to ignore the need to rectify these short-falls. It would be wrong, however, to place all of the blame at the door of the federal inspection agencies. As I mentioned at the outset, these

agencies have come a long way over the past few years to becoming more oriented towards facilitation.

Instead, insufficient attention from Congress should also be recognised as having played a major role in allowing today's problems to emerge. In particular, there has not been the recognition on Capitol Hill, that the treatment meted out to arriving international passengers has had an impact on the competitiveness of the US tourism industry. The interest shown by this Subcommittee is, therefore, extremely timely.

In practical terms, several things need to be done.

1) The present exemption from the Customs and Immigration taxes enjoyed by travellers originating in Canada, Mexico and the Caribbean needs to be rescinded. The funds which would flow as a result of such a rescission are desperately needed to increase inspection resources. Furthermore, considerations of equity suggest that the burden of cross subsidisation be lifted from those unfortunate enough to be paying for the inspection of those who are presently exempted.

2) Throwing money at the problem, however, is at best a short term solution. Passengers not only want to see the money they have paid spent, they also want to see it spent effectively. As a preliminary matter, there needs to be improved accountability. The budgets of both INS and the US Customs service should show both revenue generation and expenditure by point of entry to the US, and by mode of entry. Staffing levels and performance, as measured by the percent of passengers cleared within 45 minutes, should be made public and monitored by Congress.

A longer term goal should be for Congress to merge the presently separate accounts in which the funds collected from passengers reside. Having the funds in one account would allow expenditures to be directed to the elements of the federal inspection process

which are in most need of financial support. In recent years, processing delays have been attributable largely to Customs. The Customs Service has rectified this problem by revamping its inspection methods. As part of this change, however, additional inspection responsibilities have been given to the Immigration Service. Consequently, today's delays are largely attributable to immigration processing. The structure of the revenue accounts, however, has not allowed for any revenues in the Customs Service account to be redirected for immigration processing. The net result is that delays continue.

3) Congress should make its recommendation of a maximum clearance time of 45 minutes a statutory obligation. As a statement of Congressional intent, the 45 minute clearance time standard unfortunately serves as only an embarrassing reminder of the level of service which should be provided. Instead, the 45 minute clearance time standard should serve as the point at which the conflicting goals of facilitation and enforcement meet. Failure to achieve the 45 minute clearance time standard should trigger the choice to be made between either increasing inspection resources or reducing the enforcement obligation facing the inspection agencies, or both. Without the weight of law to compel its implementation, it is doubtful whether the difficult but important decisions needed to achieve this level of service will ever be made.

We realise that the Congressional jurisdiction over the federal inspection agencies is spread over many Committees. To change the way in which the inspection of international arriving passengers is dealt with, therefore, becomes a difficult task. Nonetheless, it is desperately needed.

The spread of jurisdictional responsibilities over this one process, is itself in large part responsible for the inadequacy of the overall service being provided. With no single body charged with the oversight of the inspection process, it is the

norm for acute inspection problems to be addressed by sticking a series of local interest Band-Aids over the sore. Conveniently, the underlying illness is forgotten and left to propagate.

This hearing represents the first time that a Senate or House Committee has taken upon itself to hear how important the clearance of international arriving passengers is to the competitiveness of the United States tourism industry, how inadequate the clearance process is when viewed in its entirety, and what needs to be done.

It is the hope of foreign airlines such as British Airways, that this represents the beginning of systematic progress toward solving the facilitation related problems which today handicap the competitiveness of the US tourism industry. Thank you



Senator ROCKEFELLER. Mr. Gordon.

**STATEMENT OF JAMES K. GORDON, DIRECTOR OF INTERNATIONAL AFFAIRS, AIRPORT OPERATORS COUNCIL INTERNATIONAL**

Mr. GORDON. Thank you, Mr. Chairman. We are very pleased to be here. We are very pleased to hear that you had planned this hearing. We have looked forward for months now to an opportunity to deal with the problem of inspection services at airports, not simply from the point of view of one service, one inspection agency, but looking at the problem as a whole.

And, quite frankly, this is the only such hearing in anybody's memory at AOCI. And we would like to say "thank you" and to compliment you on that.

We are, of course, the association of airports, and we represent the communities who create those airports. And our objectives are to offer the community the greatest variety and quality of air service. It is difficult to do so when you have an inspection service problem at the airports.

It occurs to me, Mr. Chairman, that being the last one up here, I am fortunate to have heard most of the things I wanted to bring out mentioned by my colleagues here. If I may, I will simply refer to the summary of my testimony that I have given you, and ask if you would include that.

Senator ROCKEFELLER. Of course.

Mr. GORDON. And I will focus on two main issues that I see. I have thirteen recommendations as part of my full testimony, and you do not want to hear all of them at the moment.

The two main problems, though, are the budget scarcity and the increasing workload. And none of the Federal inspection services has adequate resources to do the job they believe they should do. Federal budget law is harshly limiting, and some of the management practices of the services make these scarcities more difficult to live with.

But it is wrong to ask the inspection services to maintain that high level of enforcement and detailed inspection while the workloads increase and the resources decrease. In this connection, I want to talk about the user fee, for a moment, if I may.

The inspection user fees should be equitably collected from all recipients of the services, and the revenues should be applied exclusively to the benefit of those who pay the fees. We think that user fee revenues that are collected for inspection services should neither be held in the Treasury general fund to offset deficit spending, nor should they arbitrarily be sequestered. And I suppose that refers to the arbitrariness of Gramm-Rudman as well.

These monies were collected for a purpose. Neither the Customs nor the Immigration user fee is entirely fair or efficient, and as a matter of fairness, and to increase the revenues, we very much recommend that the user fee be extended to those passengers who are now exempted.

Senator ROCKEFELLER. Just to interrupt you for a point of personal clarification—earlier I had suggested that the airport trust fund surplus had not been applied at all. And I was quite wrong on that, that there was nearly \$400 million that was to be spent at Denver.

But going back to 1975, over a 15-year period, how many instances of more than token airport trust fund intervention have there been?

I have been saying that since 1975, basically, the airport trust fund has not helped to build any of the airports in the United States or expand them.

Mr. GORDON. That is pretty close to—that is very fair. Let us say, honestly though, I do not think the trust fund could ever pay for all of the construction in an airport.

Senator ROCKEFELLER. I understand, yes.

Mr. GORDON. And it is used as seed money, as a Federal government effort to assist. Unfortunately, for years now, that trust fund is used to fund salaries and expenses of the Federal Aviation Administration, and not for capital investment in either FAA airway systems or the airports.

[Pause.]

Senator ROCKEFELLER. Please?

Mr. GORDON. The second point I wanted to get at was the issue of inspections policy which requires this level of inspections that we are dealing with. The policies and attitudes reflect both division of responsibility and authority in the inspection—among the inspection services, and among the Committees of the Congress. Now I count 20 Committees and Subcommittees with primary jurisdiction over either the appropriations or the authorizations for an inspection service. And that is not mentioning the budget Committees and other Committees of the Congress that have a legitimate influence over this process.

And until we can get better coordination out of both the Congress and the Executive Branch, we are not going to solve the problem.

We do inspect 99.9 percent of all of these passengers uselessly. And it is unfortunate that we do so. The immigration law and policy needs to be reviewed.

I think I would end, Mr. Chairman, just by saying that our trade policy is important to all of our communities, to the health—economic health and well-being of the citizens—and it is wrong for the inspection services to determine where that health and well-being will be benefited by the growth of international trade. And they are put in a very—I think—uncomfortable position of having to try to resist our health and well-being and growth.

Thank you.

[The statement follows:]

Statement of James K. Gordon, Director of International Affairs, Airport Operators Council International, regarding visitor facilitation at U.S. points of entry, before the Subcommittee on Foreign Commerce and Tourism, Committee on Commerce, Science and Transportation, U.S. Senate

Mr. Chairman, Members of the Subcommittee, I am testifying today on behalf of the Airport Operators Council International (AOCI), which represents the governmental bodies that own and operate the principal airports serving scheduled airlines in the United States and in many countries. AOCI airports enplane and receive virtually all U.S. scheduled international airline traffic. We appreciate the opportunity to discuss facilitation issues, and the severe problems they cause for our airport Members and their communities.

#### THE IMPORTANCE OF FACILITATION

We would like first to emphasize the importance of international tourism and business travel to the economic health and growth of our communities and our nation. U.S. airports exist to connect their communities to the air transportation system, to enable the movement of business travelers and tourists, and the shipment of cargo and mail. U.S. international air transportation is the only air transport market that shows growth; Federal Aviation Administration statistics show that U.S. domestic passenger enplanements in 1989, our largest market component, grew by half of one percent over 1988, while international enplanements grew by 7.3 percent. Our communities must look to international air travel for new opportunity, and airports, state and local governments, and tourism and economic development organizations expend enormous time, effort and resources on international marketing.

#### THE FACILITATION CONCEPT

The problem arises because our efforts to achieve our objectives and our potential economic well-being are jeopardized by the way we treat international air passengers who arrive in the U.S. This difficulty was foreseen when international air transport was just beginning to blossom after World War 2. In the 1944 Convention on International Civil Aviation, governments agreed to adopt all practical measures to facilitate and expedite air transportation. The convention, known as the Chicago Convention, is the principal instrument of international law governing aviation, and its articles 22 and 23 emphasize the need to establish rapid customs and immigration procedures, to smooth the link between international air transportation and the community. The drafters recognized that the procedures for processing steamship passengers after days in transit, if applied to international air transport, would remove much of the value and

rapidity of travelling by air. For many nations of the world, international air transport has become a means of mass transportation, and most of those nations have fulfilled their international commitments and implemented the standards and recommended practices in the International Civil Aviation Organization (ICAO)'s Annex 9 (Facilitation) to the Chicago Convention. Annex 9's provisions are aimed at reducing formalities and documentation requirements, improving the installations and services for users of international air transport and in achieving the rapid clearance of international passengers and cargo.

Poor air transport facilitation is a severe handicap for airports. It consumes the capacity of scarce and expensive airport facilities and reduces the quality of service the airport provides to the community. Facilitation problems cause passenger and cargo facilities and airfield installations to become congested and operate inefficiently, and airports to compensate must invest even more and expand them. This Committee is especially aware of the capacity crisis that grips the U.S. air transport system. Airports in the U.S. need over fifty billion dollars in new capital investment over the next five years, to serve current traffic demand, and nearly two billion dollars of that is for international arrivals terminals at fifteen airports. These capital needs must be addressed, by increased federal and local action and funding. Facilitation problems exacerbate the need.

Poor facilitation inconveniences arriving international passengers and subjects them to discomfort, delay and lost opportunity. International visitors are sensitive to the way they are treated, and the impression they get is a lasting one. Until the beginning of 1990, the U.S. Travel and Tourism Administration (USTTA)'s inflight survey collected voluntary narrative comments from departing tourists. Of those persons writing comments on the survey form, nearly all wrote regarding federal inspections at U.S. airports of arrival, and nearly all of the comments were negative. USTTA should have responded to this pattern of comments by including the issue in its revised survey; we hope that you will agree.

Poor facilitation imposes costs and delays on airlines, tying up expensive aircraft and demanding extra passenger services. Delayed aircraft prevent the use of arrival gates and parking ramp space, creating even more delays and congestion throughout the airport and the air transport system.

Poor facilitation disrupts the air transport system and reduces its reliability and predictability. Congestion, delay and inconvenience drive away the tourist, who by definition seeks a

pleasurable experience and has the discretion to choose where to travel.

#### U.S. FEDERAL INSPECTION SERVICES

U.S. law requires five federal inspection services to regulate or inspect passengers, cargo and aircraft on arrival. The Immigration and Naturalization Service (INS) must determine the eligibility of persons to enter the U.S. and prevent illegal immigration. The Customs Service collects tariffs and duties and prevents the entry into the U.S. of drugs and contraband. The Animal and Plant Health Inspection Service (APHIS) is responsible for guarding against the introduction of plant pests and animal diseases. The Public Health Service must protect Americans against the introduction of diseases. The Fish and Wildlife Service enforces the endangered species laws and protects U.S. wildlife. Political interest in fulfillment of inspection agency responsibilities is high, whether the issue is drug smuggling, illegal immigration, medfly or hoof-and-mouth disease, human viruses that would spread like wildfire or ivory from African elephants. AOCI's Members support the inspection agencies' objectives in protecting the health and welfare of Americans.

Unfortunately, the inspection services' enforcement responsibilities are directly in conflict with the facilitation objective. It needs to be noted, however, that where enforcement is determined to be necessary, good management and adequate resources can reduce significantly the negative effect on facilitation.

#### U.S. COMPLIANCE WITH INTERNATIONAL OBLIGATIONS

The U.S. has had to notify ICAO of over 40 differences, more than any other country, between U.S. law and practice and Annex 9, and in none of the differences is the U.S. more facilitative than ICAO. But more to the point, U.S. arrival formalities are more complicated and onerous, and take more time, than those of most other nations of the world. In conformance with the airline industry's 90-minute connection standard for international flights, ICAO has recommended 45 minutes as the maximum time after arrival for government clearance of all passengers. Forty-five minutes after arrival in the U.S., many passengers are still waiting to see an immigration inspector.

In response to Congressional report language, the Customs Service accepts the 45-minute maximum in its plans. The INS, subject to different report language from the Committees that have jurisdiction over the Justice Department, assumes a less-strict 1-hour limit on INS passenger clearance alone. AOCI recommends that Congress enact a legislative maximum of 45 minutes after



arrival for clearance of all passengers on a given flight by all federal agencies. This objective performance standard is achieved around the world; U.S. inspection services should be accountable to Congress and the public for meeting or bettering the maximum.

#### F.I.S. PERFORMANCE

The federal inspection services vary in their approaches to fulfillment of their responsibilities. The approach taken by any given agency reflects its analysis of the task, the political and objective risks of non-fulfillment, and the resources available to do the job. We would like to recognize and salute the many dedicated FIS managers whose decisions reflect their concern for the efficient and effective operation of U.S. international air commerce. We consider them our partners in a common enterprise.

Unfortunately, policy does not always reflect the balance between facilitation and enforcement. Only a fraction of a percent of all visitors to the U.S. pose enforcement risks, according to FIS officials. That leads us to the conclusion that resources are wasted and problems created uselessly by inspecting the 99.9 percent of arriving international passengers who are cleared to enter the U.S. This is a difficult question, touching on immigration policy, drug enforcement and many other difficult issues. The industry and the inspection services can consider more efficient ways of executing policy; the Congress establishes law and policy, and we urge you to consider the issues and invite debate.

U.S. immigration law and policy impel the INS to perform 100 percent screening of all persons arriving from outside the U.S. The Customs Service, taking account of INS universal screening, has committed itself to selective inspections based on risk analysis, use of information and intelligence. APHIS characterizes its operations as "risk-management," inspecting all passengers and cargoes from some origins or to certain U.S. areas, and operating at other times by referral from Customs or INS inspectors.

#### RESOURCES AND USER FEES

None of the federal inspection services has adequate resources to do the job they believe they should do. Federal budget law has imposed harsh limitations on the inspection services. While we recognize that resource scarcity has the positive value of forcing government agencies to put resources to the best use, AOCI deplores the irresponsibility of asking the inspection services to maintain a level of enforcement in the context of increasing workloads, with decreased resources.

In this connection, AOCI believes that user fees can provide a means of supporting adequate and efficient inspection services. Such fees should be equitably collected from all recipients of the services, and the revenues applied exclusively to the benefit of those who pay the fees. User fee revenues that are collected for inspection purposes should neither be held in the Treasury General Fund to offset deficit spending nor arbitrarily sequestered.

These principles are observed in the breach. Both INS and Customs receive a \$5 user fee from each trans-oceanic passenger arriving in the U.S. The 23.1 million transoceanic air passengers paid \$115.5 million to each of the two user fees in 1990. The 18 million air passengers arriving from Canada, Mexico and the Caribbean Basin are exempted by the laws authorizing the fees, although they receive similar, and in some cases more intensive, inspection services.

Spending of user fees is similarly inequitable. INS will spend essentially all of its revenues in fiscal 1990, but only \$77,348,000 (69 percent) for inspection purposes, covering all of INS air passenger inspections. Some 31 percent of the revenues will be spent on detention, non-immigrant systems and other INS activities. The INS has been unable to spend its user fees systematically this year because of actions lasting through the Spring by the Office of Management and Budget and the Justice Department to impose new spending controls on INS' application of the fee.

The customs user fee record is even more dismaying. Under the 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA), the customs user fee can be applied only to customs inspection overtime costs and the excess costs of customs preclearance outside the U.S., forcing Customs to accrue a surplus of over \$30 million. Customs spends most of the user fees paid by transoceanic air passengers on inspection overtime for personnel serving at the U.S. land borders with Canada and Mexico. Air passengers are paying 70 percent of all COBRA user fee revenues, but even if all 922 of the Customs inspectors at airports are earning the full \$25,000 in overtime pay allowed by law, the air passengers are benefiting from only 10 or 15 percent of spending from the user fees.

We are pleased that H.R.1594, now pending final agreement in the House-Senate Conference, includes a provision allowing use of the surplus COBRA user fee revenues for salaries and equipment for the Customs Service, to benefit the payers of the fees. If the bill is enacted and given full effect from October 1, air passenger inspections will then benefit from a total of about \$40

million of the \$115 million air passengers pay in Customs User Fees.

As a matter of fairness and to increase revenues to improve inspection services, AOCI recommends the user fees be extended to those air passengers now exempted. The extended user fee might even be reduced everywhere to \$4, and the inspection services still would collect \$50 million more revenue. The current exemption makes no sense, because a \$4 or \$5 user fee makes little difference compared to the amounts passengers spend for travel and lodging.

The Agriculture Department testified on July 11 before a House Agriculture subcommittee in defense of a proposed APHIS user fee. AOCI recommends that if Congress authorizes any such fee, it do so only on condition that the fee be established and spent in accordance with the principles described above.

#### INSPECTION PROCEDURES AND PROBLEMS

The inspection services are acutely conscious of the need to do more with their scarce resources. In May of 1989, they released a new "Strategy for Air Passenger Processing for the 1990s," setting forth improved procedures and increased cooperation between the inspection services. The document called for a new, standard system of inspections with a realignment of inspection service responsibilities. INS, which two years ago had more adequate staffing funded by user fees, is expected to provide greater support for Customs, which was plagued by severely inadequate staff. Under the plan, INS will screen all international arriving passengers, executing a single query on each passenger of all of the various federal data bases. Customs can then use its scarce staffing to respond to data-base "hits" and to apply selectivity and profile procedures.

The new system, when it works well, works very well. Moderate passenger loads arriving from low-risk origins can be processed and cleared very rapidly, often within 20 to 30 minutes after the aircraft arrives. The new system has allowed FIS managers to use inspection staff more effectively and rationally.

However, when strained by high volumes of passengers or passengers offering some enforcement risk or administrative burden, the system bogs down horribly. Processing delays at some of America's biggest airports of entry can exceed the 90-minute international flight connection time, and passengers must sometimes be held on board their arriving flights before they can enter the airport arrival facility. The worst treatment affects foreign visitors. Over the last two months, I have conducted a

survey of some of the airports, and that survey is submitted as part of this testimony.

#### LAW ENFORCEMENT AND PERSONNEL POLICIES

The federal inspection services are also law enforcement agencies. This was overemphasized, for example, by a former Commissioner of Customs, among others, and led to policies and practices that were inefficient, counter to facilitation, and in some cases impermissible of public servants. The current Commissioner of Customs has actively redressed the policy imbalance between facilitation and enforcement. Nevertheless, individual customs officers perceive their role in terms of uniformed, armed law enforcement service. Officers of other FIS agencies perceive themselves in similar terms. These perceptions inform the routine behavior and attitude of inspection personnel. Unfortunately, efforts to reduce the law-enforcement aspect of inspection work run counter to civil service job classification practice, salary systems and the lure of higher paying jobs within the government. AOCI urges that continued attention be given to these issues and the workload and compensation issues that influence individual inspectors. Solution of these problems will allow the inspection services to maintain a stable, trained workforce, whose individual members will be able to deal effectively and courteously with the public.

Another aspect of FIS law enforcement nature is the practice of arming inspectors in the passenger arrivals hall. This is not demonstrably necessary, and creates an extremely negative impression in the mind of the arriving passenger. The prospect of gunfire in an inspection facility crowded with literally thousands of persons is one with no positive result. The aviation security procedures applied to all flights to the U.S. obviates concerns about terrorism. AOCI urges Congressional action to end this practice, unless the inspection services can cite real need for inspectors to go armed in the inspection hall.

#### VISA WAIVER

One of the programs with the greatest effect on the tourism process over the last two years may have been the Congressionally-mandated Visa Waiver Pilot Program. Although it is difficult to measure the impact of the Visa Waiver as a stimulant to tourism to the United States, the growing percentage of travelers from the eight countries using the visa waiver, cited in the Administration's report to Congress, is apparent proof of its value to travelers. It is AOCI's judgment, however, that the utility to travelers lies only in avoidance of the inconvenience and delay involved in visa services at U.S. consulates.

The Visa Waiver, as presently implemented, creates severe problems for immigration processing at U.S. airports of entry, and exacerbates the strain that growing passenger traffic has placed on the scarce capacity of international arrival facilities at airports. Because international passengers using the Visa Waiver have not had a consular screening interview, an INS inspector must collect or verify certain information regarding the passenger. INS claims to the contrary, many airports report processing of visa waiver entrants takes about two minutes per person, as opposed to one minute for an entrant with a visa. For the last of 400 such passengers on a widebody aircraft, this implies an extra 20 minutes in line to be processed through an airport with 20 INS inspectors on duty.

The passenger traffic from the eight countries presently designated under the Visa Waiver pilot program constitutes the greatest volume of U.S. international airline traffic, and the volume of traffic from the eight countries shows the highest growth rates. To the extent that these tourists are sensitive to the quality of inspection processing upon entry to the U.S., the processing problems in fact work to mitigate the positive effect of the Visa Waiver on the most important and beneficial sources of tourism to the U.S. AOCI recommends that Congress mandate INS procedural and documentation changes to reduce the delays in processing foreign visitors arriving in the U.S. under the Visa Waiver program.

#### PREINSPECTION AND PRECLEARANCE

Clearance of air passengers in the interval between their check-in for their flight and the actual departure for the U.S. can be a useful facilitative measure. Immigration preinspection or full preclearance by INS and Customs are not feasible in all cases, but where traffic volume justifies, where the enforcement risk permits and where facilities and operating authorities are available, it should be sought.

INS preinspection operations pose little affront to foreign sovereignty. However, if the Customs Service insists on enforcing U.S. laws at preclearance points, any initiative will be doomed when other nations insist on preserving their sovereignty. Customs' objectives should not be to notch up more arrests. AOCI believes that the purpose of Customs enforcement is to protect our nation from contraband and illegal substances, and that simply excluding the substances or contraband from the U.S. and handing the smuggler to foreign law enforcement officials is satisfactory. Where the U.S. is unable to establish congruence with foreign laws, Customs should work with local law enforcement and air carriers to protect the U.S. interest.



AOCI recommends the use of preinspection and preclearance wherever traffic volume, enforcement risk and local situations permit.

#### AUTOMATION AND MACHINE-READABLE DOCUMENTS

Part of the FIS Master Plan is the increased use of machine-readable documents to reduce the mechanical tasks that create congestion and delay. A significant and growing proportion of U.S. citizens carries machine readable passports, as do some few foreign citizens. The U.S. is joining Australia and beginning to issue a machine-readable visa. However, most travelers in the world today, including a majority of those arriving in the U.S., do not carry a machine-readable travel document. The process of collecting their identifying data is to type the data into a computer, proof-read the typed data to assure that it matches the travel document, and send the data to be checked against the data base. A machine readable document, however, can be passed through a reader which makes no mistakes and immediately sends the data to be checked. As well as saving key-stroke time, machine readability can support more rapid collection and comparison of passenger data at check-in and boarding. AOCI has arranged for demonstrations of machine-reader technology and supports its implementation throughout the air transport system.

#### EMERGENCY DATA COLLECTION MUST NOT DETRACT FROM FACILITATION

A recent proposal that would increase congestion and delay in airports is a provision of S.2822, now under consideration in this Committee, that would require airlines to collect passport data and emergency contact information for passengers prior to boarding an outbound international flight. AOCI urges the Committee to oppose the creation of either an official departure control or a requirement for additional airline departure formalities. AOCI is also concerned that Federal Aviation Administration action to make landing rights of foreign air carriers contingent on their adoption of similar practices, as proposed by S.2822, would reduce the availability of air services for tourism.

#### FACILITATION AND NEW INTERNATIONAL AIR SERVICES

AOCI has become extremely concerned regarding the inspection agencies' ability to provide inspection staffing in response to significant demand for new international air services. The growth of traffic and the continuing extension of airline deregulation into U.S. bilateral agreements with other governments, to permit new and expanded international airline services, place severe demands on the inspection services to add

staff at existing airports and to provide staff to open new airports of entry.

Under the inspection services' present constraints, to satisfy an airline's proposal for new services or an airport's desire to expand its capacity, Customs or INS must take away inspection staffing from a community that itself needs that staffing for its existing international trade and tourism. Over the last year, there have been several cases where Customs actually considered denying landing rights to U.S. and foreign airlines after the State Department had negotiated an agreement with another country to allow the new airline services. These denials have been averted through careful management of inspection service resources, often under political pressure. When the system requires the attention of inspection service commissioners and the intervention of a state's Congressional and Senatorial delegations to arrange the assignment of a couple of civil service inspectors, it is time to change the system.

In the meantime, the inspection services, unable to plan for expansion to respond to increasing demand, have resorted to efforts to constrain expansion of air transport services to the U.S. Customs officials have made representations to the Departments of State and Transportation, and are seeking a role in the development of U.S. negotiating positions. The inspection services should be kept informed of U.S. commitments to allow new international air services, with as much notice as possible to allow prudent management, but AOCI believes it is wrong for the Customs Service or any other inspection agency to determine where U.S. international tourism and transportation will be allowed to expand. AOCI does not believe that every airport must be an international airport of entry, but urges that Congress require the inspection services to provide inspection service for significant market demand.

#### PUBLIC ACCOUNTABILITY AND ADVISORY COMMITTEES

One of the most useful mechanisms for solving operational problems of government is the Public Advisory Committee. These bodies allow industry and public representatives to understand government policy and to present issues for discussion and resolution, without seeking narrow legislative remedy. If honestly supported by the government, the advisory committee can become an excellent source of technical expertise and public support for the government.

The Immigration User Fee Advisory Committee that operated in 1988 and 1989 was a most effective forum for the discussion of INS operations, allowing industry to understand the application of the immigration user fee and to help INS be more effective. The

committee's charter lapsed at the end of 1989. The Treasury Department Public Advisory Committee on the Commercial Operations of the U.S. Customs Service submitted its first two-year report to Congress earlier this year. Leadership was unfocused, membership on the committee is heavily weighted toward the importer and trade community, emphasis has been on trade policy and tariff/valuation issues, and the committee has not materially improved facilitation.

AOCI suggests that the subcommittee call for the establishment and good-faith support of public advisory committees to work on the operational issues affecting facilitation.

#### FACILITATION COMMITTEES

AOCI believes that coordination and communication between inspection services, airlines, airports and other parties at the local level can improve facilitation and the efficiency of all parties' operations. We participate actively in the national facilitation committee, and have recommended the formation of local facilitation committees at airports of entry. The Committee may wish to endorse such close cooperation between government and industry.

#### AOCI FACILITATION POLICIES

AOCI has adopted a number of statements reflecting U.S. airports' desires and intentions regarding federal law and policy that affect facilitation, or regarding the role and actions of airports in the area of facilitation. The relevant section of the AOCI policy handbook is attached to this testimony.

#### SUMMARY AND RECOMMENDATIONS

AOCI takes facilitation very seriously, seeking solutions for problems and urging AOCI Members to implement the most effective and efficient procedures. We support the federal inspection services in their efforts to perform their tasks efficiently and effectively. In summary, AOCI offers the following recommendations for action and policy, and asks the Committee's support wherever possible.

- AOCI recommends that Congress enact a legislative maximum of 45 minutes after arrival for clearance of all passengers on a given flight by all federal agencies.

- AOCI believes that user fees can provide a means of supporting adequate and efficient inspection services. AOCI recommends the user fees be extended to those air passengers now exempted. User fees should be equitably collected from all recipients of the

services, and the revenues applied exclusively to the benefit of those who pay the fees. User fee revenues that are collected for inspection purposes should neither be held in the Treasury General Fund to offset deficit spending nor arbitrarily sequestered. If Congress authorizes any such fee, it do so only on condition that the fee be established and spent in accordance with these principles.

- AOCI recommends that Congress mandate INS procedural and documentation changes to reduce the delays in processing foreign visitors arriving in the U.S. under the Visa Waiver program.

- AOCI recommends the use of INS preinspection and Customs and INS preclearance wherever traffic volume, enforcement risk and local situations permit.

- AOCI recommends that continued attention be given to the reduction of the law-enforcement mentality of inspection services, and the workload and compensation issues that influence individual inspectors, to allow the inspection services to maintain a stable, trained workforce, whose individual members will be able to deal effectively and courteously with the public.

- AOCI urges Congressional action to end the practice of having inspectors going armed in passenger inspection halls, unless the inspection services can cite real need.

- AOCI supports the implementation of machine reader technology for inspection processing and throughout the air transport system.

- AOCI suggests reconsideration of U.S. law and policy that determine the extent and intensity of inspection of persons arriving in the U.S.

- AOCI urges the Committee to oppose the creation of either an official departure control or a requirement for additional airline departure formalities in airports.

- AOCI believes the inspection services should be kept informed of U.S. commitments to allow new international air services, with as much notice as possible to allow prudent management, but AOCI believes it is wrong for the Customs Service or any other inspection agency to determine where U.S. international tourism and transportation will be allowed to expand. AOCI does not believe that every airport must be an international airport of entry, but urges that Congress require the inspection services to provide inspection service for significant market demand.

- AOCI recommends that the Committee call for the establishment and good-faith support by the inspection services of public advisory committees to work on the operational issues affecting facilitation.

- AOCI has recommended the formation of local facilitation committees at airports of entry. The Committee may wish to endorse such close cooperation between government and industry.

- AOCI recommends that the Committee urge USTTA to change its in-flight survey to collect quantitative information regarding facilitation problems.

Thank you for the opportunity to present our concerns.

Senator ROCKEFELLER. Thank you.

Just a couple of quick questions to anyone who might choose to answer.

The talk has ranged widely, this afternoon, and reference has been made to booths that were built but not staffed because there was not anybody to staff them. In other cases, one could assume that facilities improvements, capital expenditures would make a difference. There has been reference made to lack of bilingual capacity.

Not as much reference as I had expected has been made about attitude, which incidentally confirms my own experience that the attitude of the Federal people has basically been pretty good, considering what they have been through during the course of their work period.

There seems to be sort of a consensus that there is, in spite of all of the good things that can be said and some of the problems that can be said, that tourism is growing at an enormous rate, and whatever it is that we are discussing today is going to be twice as bad four years from now. And that therefore, rather than sort of discuss where we are now, we ought to really be looking—in that the Federal government does not move very quickly anyway, or none of us do—that we ought to be looking now to prepare for the future.

I would just be interested, taking into consideration the people problem, the budget problem, the bilingual problem, the facilities problem, the attitude problem, the airline scheduling peaking problem, jurisdictional jealousies—all of which have been raised as problems—what, if several of you might just say quickly and intelligently, how we will prepare for five or ten years from now with these problems confronting us.

Mr. NORTON. One is the basic change to the user fees which are revenue neutral. The Congress does not have to appropriate additional funds and to a large extent the fees are being charged anyway, just not on certain traffic or not being allowed to be spent and are held as surplus. So if those changes were made, a significant percentage of personnel would be freed up. INS alone would have \$83 million more to invest in personnel at the airports if that change were made.

And the other thing is the electronic side of it. It can be done. All U.S. citizens have machine-readable passports. The rest of the world is converting to machine-readable passports, and we are still thinking in terms of finding that one tenth of one tenth of one percent out there who may be bad. There are ways of doing that now without subjecting everybody to the process. We have got to think in those terms.

Senator ROCKEFELLER. Name some countries that run the passport under the machine.

Mr. NORTON. The United States is getting close to universal, Canada and Australia as well. The United Kingdom started, as did Germany last year, and their programs are in full swing.

Senator ROCKEFELLER. And they work?

Mr. NORTON. Unfortunately Japan is not, but that is a sore point and we are working on that.



Mr. DUNKERLEY. Also, regardless of the machine-readable nature of passports and visas, other nations have seen fit to have inspection techniques that do not require the stopping of every passenger, or the questioning of every passenger. Other nations are rather further advanced than the United States in the use of some of the profile techniques to which you have referred to earlier. Under such technique, you sample the flow of passengers. You pull a guy out of the crowd. That sort of methodology would go a tremendous way to improving the flow of passengers.

Senator ROCKEFELLER. A lot of this is just that we have different jurisdictions and people do or do not decide to do certain things. Would it be the view of any of you that the Congress ought to intervene, either in a requesting or a mandating or pushing or whatever fashion to do something?

Mr. GORDON. Yes. I think we all—I will speak for myself and just say we think that coordination is very valuable. It is informal. It is not that they resist it at the operating level, but at a policy level there are conflicting objectives. An intervention at the policy level to mandate real cooperation might do it.

Senator ROCKEFELLER. Do these parties of different government agencies sit down and talk these things out?

Mr. GORDON. Yes they do. And there is the National Transportation Facilitation Committee.

Senator ROCKEFELLER. What comes from that?

Mr. GORDON. It is generally an operational focus and it does deal with some of the issues on at least a national level if not a policy level. I do not want to say that we are not working together. I think everybody in this room, including some of the inspection agency people, will assert that we all work together. We all sit down on a national level, on a local level, to work out as much as we can of these things. And each industry sector is working on solving as much of the problem as possible. But we are scrambling to catch up, and we need some help.

Senator ROCKEFELLER. Is it being overly dramatic to take off from what Mr. Dunkerley said about needing video preparation for passengers coming into this country to say that of the major tourist destinations in this world, the United States is the least effective and the least hospitable and the least user friendly by a substantial amount?

Mr. NORTON. It is the only country or one of the few countries that requires two forms to be filled out. For aliens who are on the visa waiver program, three forms to be filled out in order to enter the country. And they are all very confusing, very lengthy. That is a very fair statement to make.

Mr. GORDON. Our formalities are the most onerous in the world.

Mr. DUNKERLEY. That has certainly been our experience, particularly when you compare the U.S. to its competitors as a tourist destination. If you look at the countries in western Europe where there are no formalities in essence.

Senator ROCKEFELLER. And where there will be fewer.

Mr. DUNKERLEY. And where there will be fewer. It is a stark contrast.

Senator ROCKEFELLER. Well, look. I have got to stop this now. We have got the GAO report still to report, and I am glad of that be-

cause it gives me an excuse to have a follow-up hearing to absorb what we have learned today, which is substantial.

I mean this is an enormous problem, and what strikes me about it is that it is extremely embarrassing and quite needless and very much against our own interests—sort of spectacularly against our own interests. And we let it slide by through inertia, committees meeting and working but clearly not relevant to the present task, much less the future growth. And, you know, we have got to do something about that. So there will be a second hearing.

I enormously appreciate each of your participation and we will feel free to call on you and consult you again. Thank you all very much.

The hearing is adjourned.

[Whereupon at 5:00 p.m. the committee was adjourned.]

○